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NEWS SUMMARY

GENERAL

Shots end jail siege

Police sharpshooters yesterday killed one of two convicts holding seven hostages in an Italian prison. The other was overpowered. All the hostages escaped unhurt.

They had been held in a 24-hour siege inside the jail of the medieval hill town of San Gimignano and the prisoners, serving long terms for robbery, had threatened to kill them one by one if their demands were not met.

The prisoners asked for bullet-proof vests and two fast cars to make their escape. They had used smuggled pistols to take warders hostage. Large numbers of tourists watched the siege and its bloody ending.

Row over visas for PLO men

Granting by the Home Office of visas to two members of the Palestine Liberation Organisation's political wing, to attend an Inter-Parliamentary Union conference in London next month, has been criticised by a number of MPs.

One hundred have signed a protest motion and two are to complain personally to Mr. Roy Jenkins today. In Beirut, yesterday, the PLO claimed to have time-bombed a bus and a copper plant in Israel, killing a number of people.

Court Line payout delay

Many Court Line crash victims will not receive refunds yet for their lost holidays, despite reports that the payout has begun. The money has been held before a High Court battle involving those who had paid through High Street travel agencies.

Bomb case ending

Mr. Justice Bridge will today begin what is expected to be an eight-hour summing up in the Birmingham bombs case, longest murder trial in British history. He will spread his speech over two days at the end of a two-month hearing.

Grand Prix riot

Extra police were drafted into Silverstone for the final day of the British Motorcycle Grand Prix meeting yesterday. In a riot on Saturday night a marquee was burned down, a policeman and a woman were injured and a youth taken to hospital. One youth is to appear in court today.

Test choice

Fletcher, Hendricks and Hampshire have been picked to replace Anish, Gough and Old in the England 12 from which the team to play Australia in the third Test at Headingley on Thursday will be chosen.

People and places

British Rail's Advanced Passenger Train set a new British speed record of 152 mph on the last of its three week-end trials.

Police burst for a seven-foot python in Manchester was killed on Wednesday when it curled up in its wardrobe.

To-morrow's start of the grouse season may not be as glorious as custom requires on some moors. The cold spring and snow in Russia took their toll of birds.

Russian composer Dimitri Shostakovich died in Moscow aged 68. Obituary, Page 3.

At least six firemen were killed in West Germany when their engine was cut off by a near-land fire and set ablaze.

Three members of a family died in a head-on car collision in fog on the A1 in Northumberland.

Jack Nicklaus, with a five under par 205, led the U.S. PGA championship third round. Page 8.

The £50,000 weekly prize number was 585 540590 (Nottingham).

BUSINESS

BSC cuts price of scrap £2 a tonne

THE BRITISH STEEL CORPORATION has cut its ferrous scrap prices by an average of £2 a tonne. Since January, scrap prices have fallen £13 a tonne. BSC expects to save about £10m. a year from the price cuts.

It said the main reason for the cut was the Europe-wide slump in demand for steel.

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BRITISH STEEL Corporation has contacted more than 100 Scottish companies to find alternative employment for the 2,100 steelworkers whose jobs are expected to go in the next five years.

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NEW ZEALAND has devalued its dollar by 15 per cent., bringing it to nearly the same value as the U.S. dollar. The Argentinian peso has also been devalued—by 20 per cent., its third devaluation since June.

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SOUTH AFRICA has raised its bank rate 1 per cent. to 81 per cent.

Page 7

BP to sell North Sea gas

BP has agreed to sell residual gas from its Forties Field and its share of the Frigg gas field in the North Sea to the British Gas Corporation.

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TRANS-ALASKA pipeline contractors say they will complete half the project by November, and bring the oil pipeline on stream by the target date of mid-1976.

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BRITISH LEYLAND share quote returns to the stock market today. Each of the new shares represents 10 of the old BLMC group, the government holding all but 22 per cent.

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RENT and rate increases in London and the South East are forcing companies to move out of the region, a London Chamber of Commerce survey shows.

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Struggle ahead, Murray warns

TUC general secretary Len Murray has warned that Britain is in for a "bruiser six months." He said there was no credible alternative to the £6-a-week limit on wage increases if inflation was to be curbed.

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FULL dockers are to continue pressing for a 25-a-week rise this autumn, in spite of employers' argument that they are entitled to only 5p.

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INTERNATIONAL Management Competition was won for the second year by a three-man team from Denmark. A U.K. team came second.

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HEARING AID manufacturers fear that the Department of Health decision to supply NHS behind-the-ear aids to all deaf people in employment or education will mean a sharp decline in private business.

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ANTI-SMOKING lobby is to counter cigarette companies' motor sport sponsorship with a rally car driven by a doctor and carrying the slogan "Smoking Kills." Co-sponsors will be Action on Smoking and Health, Cancer and a pharmaceutical company.

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MORE STUDENTS are avoiding a career in business, according to the Journal of the Institute of Directors.

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POTTERY exports from the U.K. are running at a record £11.1m. in the first five months of this year.

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ICELAND is to hold talks with the U.K. and other countries asking for special fishing permits when the Icelanders extend their limits to 200 miles on October 13.

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Sinai settlement expected within three weeks

BY L. DANIEL, JERUSALEM, August 10

Unless a last-minute hitch occurs, it now looks as though a second interim agreement between Israel and Egypt could be reached within the next two or three weeks. There has clearly been some movement from one or both sides in the last few days.

Mr. Yitzhak Rabin, Prime Minister of Israel, said today that the time was now ripe for an immediate peace settlement with the Arab States.

Mr. Rabin emphasised that key issues on a second pact still must be resolved with Egypt but confirmed that there had been movement towards an agreement.

Mr. Rabin did not elaborate, however, and declined to speculate on when Dr. Henry Kissinger, U.S. Secretary of State, might return to the Middle East to resume his shuttle diplomacy to conclude an Israeli-Egyptian agreement. It has been suggested this might happen in about ten days' time.

Israel received the latest Egyptian ideas in the middle of last week. These were considered by the Israeli negotiating team of three—the Prime Minister, the Minister of Defence and the Minister for Foreign Affairs, and their reply was handed to Dr. Kissinger last night by the Israeli Ambassador to the U.S., this without a Cabinet meeting being called.

The conclusion that an agreement appears to be within reach can also be drawn from the fact that no less than three separate Israeli delegations have left for Washington or are about to do so.

First to leave for the U.S. was the Israeli Government's "oil man," Dr. Zvi Dinstein, who will have to hammer out with the administration in Washington ways and means of compensating

Israel for returning the Abu Rudeis oilfields to Egypt. Israel will seek to assure supplies even if an Arab power should try to blockade the straits of Bab-el Mandeb or the entrance to the Gulf of Aqaba.

The delegation which is to continue the negotiations for U.S. military and economic assistance—which were suspended following the breakdown of Dr. Kissinger's shuttle mission in March—will leave for Washington today. It will consist of top level officials of the Ministries of Finance and Defence.

Differences

Most significant of all, Mr. Gati, the Director General of the Prime Minister's Office, and Mr. Rose, the legal adviser to the Foreign Ministry, will fly to Washington to draft those parts of the proposed agreement involving political aspects, such as the undertakings to be given by Egypt to the U.S.

Major territorial differences of opinion have not been solved. These differences are understood to centre on an Egyptian demand for an Israeli withdrawal at the eastern side of the Sinai passes greater than that proposed by Israel, with Egypt insisting on a military presence at the western entrance to the Mitla and Gidi passes, while Israel envisaged a smaller forward movement of the Egyptian army, thus broadening the buffer zone between the two sides.

Michael Tinsay in Cairo adds:

Mr. Hermann Eilts, the American Ambassador, arrived in Cairo from Washington today for an urgent meeting with Egyptian Foreign Minister Ismail Fahmy. He carried with him what has been described as Israel's "last offer" in the present round of negotiations for a second stage withdrawal in Sinai.

Cairo's influential daily Al-Ahram today continued speculation that Dr. Kissinger will resume a diplomatic shuttle on August 20. Its Washington correspondent quoted U.S. State Department sources as "indicating" that he is aiming for a second disengagement in Sinai before the Lima conference on non-aligned countries on August 24.

Usually reliable Egyptian sources believe that talks have once again come round to the nature of any commitment by Mr. Sadat not to go to war for a three year period.

The Egyptian President has already blotted the copy book of Arab unity by his mild approach to Israeli UN suspension which tempered the militancy at the recent OAU Kampala summit. He is under attack from Iraq, Libya, and the rejection from Palestinians.

The critical point in current talks, observers believe, is how Mr. Sadat can make some sort of peace commitment without further alienating the Arab camp. Yesterday Mr. Sadat sent a message of reassurance to President Hafez Assad of Syria.

Observer in new bid for agreement

By Lorette Olsager, Labour Staff

UNDAUNTED by the failure to produce a paper yesterday, the management of the Observer will make further efforts this week to win the consent of two printing unions to the reduced manning levels which it considers vital for the paper's survival.

Although a union leader described the day-long talks on Saturday as reaching "total deadlock," the management carefully refrained from making any threats or setting deadlines.

Publication was blocked by the machine room workers belonging to the National Society of Operative Printers, Graphical and Media Personnel (Natsopa) and warehouse workers belonging to the Society of Graphical and Allied Trades. They objected to the dismissal of more than 100 of their colleagues following failure to agree on labour reductions with the management.

The dismissed men, who were given two weeks' pay in lieu of notice last Monday, turned up for work as usual and their colleagues refused to let the paper be printed when management would not withdraw the notices.

On Saturday, leaders of the two union branches insisted that the notices must be withdrawn, while the most concession the management was ready to concede would have been to let the men work out their two weeks' notice.

Objective

During the discussions, management representatives said to have stated that the paper might be closed if it failed to appear again next week-end. Publicly, the management has stressed its desire for further talks and willingness to reach a settlement.

But the unions have been left in no doubt of the Observer's determination to achieve the desired economies. An official statement published late on Saturday said: "We will seek to continue negotiations to try and achieve our objective next week."

The climate for obtaining concessions from the unions seems less propitious than last week. By all accounts, exchanges on Saturday were heated and Mr. Bill Keys, general secretary of Soap, accused the management of trying to "impose" its will.

While he expressed readiness to try to find a solution, he made it clear that his union would continue to demand withdrawal of the dismissal notices.

The Advisory Conciliation and Arbitration Service set up by the Government as an industrial relations trouble-shooter, has invited the management to talks today, when it will also contact the unions.

Paris limits South Africa arms ban

BY ROBERT MAUTHNER

PARIS, August 10.

THE ANNOUNCEMENT that France will end its arms and arms-ammunition sales to South Africa, made yesterday by President Giscard d'Estaing at the end of his official visit to Zaïre, may mean rather less in practice than was at first thought.

Clearly intended as a spectacular gesture to impress the African countries, many of whom have been critical of France for its large arms sales to South Africa, President Giscard's statement has left observers here somewhat confused.

The French President himself has qualified his original statement, that "France would no longer sell arms to South Africa," by stating at a Press conference during his visit to the Inga Dam in Eastern Zaïre that the ban would apply only to "land and air armaments" and would exclude naval equipment.

With the proviso that orders already signed will be honoured, this statement, if taken literally, would cover any more deliveries of fighter bombers and helicopters, which South Africa has already bought in large numbers from France.

South Africa, for instance, has already taken delivery of more than 50 Mirage IIIs and has just received a squadron of the version of Marcel Dassault's famous combat plane, the Mirage F1.

Another 20 Mirage F1s have been ordered and will, presumably, be supplied since France has undertaken to carry out existing contracts.

Submarines

In principle, all military aircraft deliveries from France to South Africa following the completion of this order should cease. But things are not as simple as this. It has not been made clear, for instance, whether helicopters are covered by the ban. And a thick smoke-screen has been laid over the whole question of arms manufactured in South Africa under French licence, notably the Mirage fighter bomber itself.

This matter will be examined case by case," the French President enigmatically said yesterday.

As for France's huge sales of naval equipment to South Africa, these will continue as before. Three French Daphne class submarines have already been delivered to the South African navy and another two 1,000-ton Agosta class submarines have been ordered at a cost of Frs.300m. (about £30m.) and are due for delivery in November, 1978.

The French had very good political reasons for making their



President Giscard d'Estaing: A spectacular gesture

move. Their huge arms sales to South Africa had obviously become incompatible with their policy of championing the cause of the developing world of which the independent African countries are an important part.

Even those with a less acute feeling for logic than the French were beginning to see the contradiction. Zaïre was chosen for the announcement of the change of policy not least because it is one of the key participants in the preparatory talks for the oil producers/consumers conference which France is sponsoring.

What is still puzzling observers here, however, is the real extent of the policy change. No doubt it goes further than France's previous position, adopted in 1962, which merely made a distinction between arms which could be used in anti-guerrilla operations and heavy armament for use against a foreign aggressor. But it still remains to be seen how many loopholes France's dynamic arms salesmen will be able to find in the loosely defined partial ban.

John Stewart in Cape Town reports: According to the African Nationalist Sunday Press, President Giscard's statement was a "bolt from the blue." Mr. A. P. Burger, who has just completed a successful six-year term as Ambassador in Paris, had not been forewarned, and the move appears to fore-shadow the end of a 12-year relationship during which France supplied arms to South Africa in defiance of concerted boycott action by other Western nations including Britain and the United States.

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Conservative warning on Ulster bi-partisan policy

BY PHILIP RAWSTORNE

CONSERVATIVE PARTY leaders have delivered a stern warning to the Government that they may be forced to withdraw their support from the bi-partisan policy on Northern Ireland if the release of Provisional IRA detainees is continued.

Mr. Airey Neave, Conservative spokesman on Northern Ireland, declared yesterday: "We believe very strongly that the Government is pursuing a very risky course. There are serious dangers of putting politics before security and provoking further violence."

He wished to see the bi-partisan policy maintained. But the Government will have to take more serious account of our views on this issue."

Mr. Neave's warning seems likely to draw further reassurances to the Conservatives from Mr. Merlyn Rees, the Northern Ireland Secretary.

The preservation of the bi-partisan policy will be vital for the critical decisions that will have to be taken at Westminster on the report of the Ulster Convention on a new system of Government for the province.

The report—probably contentious—may be published in the autumn although the lack of agreement in the Convention may force the Government to extend its discussions.

Mr. Neave, commenting yesterday on Mr. Rees's policy of releasing the rest of 230 Provisional IRA detainees by Christmas if the security situation permits, said that most of

them were "hardliners" who were likely to resume their activities. Despite the reiterated denials of the Northern Ireland Office, the Conservatives are also worried and suspicious about repeated rumours of troop withdrawals from the province.

Speaking at Abingdon on Saturday, Mr. Neave said troops would have to remain in Northern Ireland in strength until normal policing could be resumed throughout the province. He added: "We must express our anxiety about the danger of large-scale releases of experienced Provisional IRA men into an increasingly violent situation."

There was "genuine apprehension" over a policy which raised dangers of provoking a confrontation between the released detainees and Protestant paramilitary organisations.

Incidents

Giles Merritt writes from Dublin: Fears that this weekend's widespread Ulster violence could endanger the success of the exploratory pre-convention talks between the Unionists and the Catholics last night prompted Mr. Gerry Fitt, the SDLP leader, to lash out at Sinn Féin.

At the same time, Mr. Seamus Loughran, Northern organiser of Provisional Sinn Féin, moved to dissociate his movement from the 40-plus individual incidents of violence that flared across the province yesterday.

The nine, who include Major Melo Antunes, the former Foreign Minister, have refused to be silent. After a meeting with the country's ruling triumvirate and the armed forces chiefs of staff, Major Antunes said, "We are making no com-

There has been a coup in Portuguese Timor, according to a radio message received in Darwin. It was not immediately clear who had taken over and the message said only that a coup had occurred and the airport had been closed. Portuguese Timor occupies the eastern half of the island of Timor, north-west of Australia.

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promises. We are defending our positions."

The ruling generals—the President, Prime Minister, and General Otelo Saraiva de Carvalho—ordered the nine officers to report to their respective high commands and await further orders after they published a manifesto condemning the new radical government and attacking military units.

General Gonçalves's new radical leftist government as "lacking in credibility and manifestly incapable of governing."

The document condemned the "fascist spirit" with which the radicals, led by the pro-Communist General Gonçalves, were leading the country towards what it called a "bureaucratic dictatorship directed against the uniform and inert mass of citizens."

The triumvirate has accused the dissidents of violating military ethics and discipline.

The weekly newspaper Expresso—usually well informed on military affairs—reported that a majority of units throughout the country were coming out in favour of the Moderates' document.

Most spokesmen refused to say which side their units were taking and several said full meetings would be held to discuss it today.

However, the Portuguese news media, which until now has generally supported General Gonçalves' line, produced no evidence of any significant opposition to the document among military units.

Zurich Theatre

An International Festival

by OSSIA TRILLING

For some years now, Jan Grossman, founder of the defunct Zurich-based theatre company, has been working in the relative obscurity of the city theatre of Zurich, formerly known as the Schauspielhaus. The price he has had to pay, ever since the Soviet invasion of 1945, in order to be able to go on working at home—indeed, in a tiny and remote provincial town—has had to be compensation, which includes the right to work abroad in more congenial surroundings from time to time.

At this year's Zurich festival he staged in the tiny underground Theater an der Winkelwiese, a most unorthodox version of Sophocles' *Oedipus at Colonus*. Using the admirable translation by the Swiss poet, Emil Stalder, Grossman has dared to mount a Greek tragedy, intended for performance in a vast open-air arena in the claustrophobic T-shaped enclave of the Winkelwiese's 50-seater auditorium. The proximity of the players lends the tragedy a new dimension of horror that seems on the spectators as they peer down on the central sand-covered acting-area like medical students in an operating theatre. Though there can be no chorus in these surroundings, the taped choral interludes, to music by Grossman's countryman, Jiri Rudicka, suffice to stimulate the imagination and relieve the tensions of the verbal contest between coryphaeus and protagonist. Not a little of Grossman's stage

business is to say the least arbitrary, as when, for example, he has the half-dressed corpse of Oedipus, played by Elisabeth Bergner, lie across the sandy pit at the climax, symbolically revealing tell-tale traces of the blood-red floor beneath below through her tracks in the sand. For all that, the 80 minutes of agonising are exceedingly well spent.

Even more gratifyingly surprising was the novelty of the bilingual (French and German) production of *Les Femmes d'Alger*, by Sergej Tretyakov, an early socialist-realist agit-prop drama about the ruthless exploitation of the Chinese workers by the colonial powers in the 1920s. This pioneering drama was one of the first to involve the audience physically in the action, culminating, as it did, in the appeal by the cast to the spectators to join in protesting against the terror exercised by the invaders against a people already debilitated by opium and their own native brand of class tyranny. Its renewed topicality may account for its choice as the Austrian director's Horst Zankl's farewell production after four years as head of the Theater am Neumarkt.

An unusual aspect of this blatantly propagandistic drama was Zankl's ability to get his Zurich-based company to join forces with the Theatre Mobile of Geneva and to have them exchange the roles of the oppressed coolies and their imperialist taskmasters with those of their French-speaking colleagues as the production shuttled between the two cities. The audience were placed in the crossfire of the two warring parties, thus physically separating the two acting-areas (designed by Ambrosius Humm) that represented the mainland at one end and the offshore battlement at the other end of the flat auditorium. The goodies (the patriotic Chinese) and the baddies (the dastardly imperialists) were required to shoot it out over our heads, both verbally and literally—a noisy and frequently terrifying experience.

Whether the execution by a Chinese string-quartet of innocuous hostesses in the order of the Anglo-American commanders, in their efforts to quell the Chinese resistance to the foreign yoke, was rooted in history or a mere piece of Tretyakovian fiction, its effect was sickening. The deliberate Brechtian acting-style, that combined a form of exaggerated delivery among the foreigners, rising to quite incomprehensible roars, with a contrastingly measured form of address among the heroic elements, verging on studied unconcern, the use of grotesque masks and make-up and fanciful costumes, designed by Renate Kalanek, as well as the political message (which the bourgeois audiences in Zurich applauded unstintingly, much to my amazement) succeeded in forging an unexpected link between the day theatre practice in the West and that of the Soviet theatre of half a century ago.

This year's sole contribution by the Zurich Schauspielhaus itself to Festival programmes was the premiere of Peter Weiss's fateful and traumatic drama, *Die Ermittlung*. Apart from this, there were only three foreign visitors this year in Zurich: Stomu Yamashita's *Raindog*, Bond's *Leah* in French, with the Theatre National Populaire from Villeurbanne, and Philip Prowse's much-praised version with the players of Glasgow City's Theatre of the Dialects of Mafik, which Zurich theatregoers, well-versed in a man it would appear, applauded with unrestrained enthusiasm.

Harry Buckwitz, who vacates the Schauspielhaus director's office in two years' time in favour of Gerhard Klingenberg, of Vienna's Burgtheater, invited two Parisian guests to put on *A Dreamplay*: Roger Bin and the Swiss-born Matias, their version filled the relatively small Schauspielhaus stage with moments of breathtaking beauty and truly fantastical lighting effects, as well as a succession of implausibly funny scenes to relieve some of the inherent ponderousness of the text. At the same time Bin's familiarity with the language must be at the bottom of much of the awkwardness and unevenness of several of the performances, notably of the needlessly plaintive and monotonous delivery of the otherwise highly gifted and eminently beautiful Renate Schroeter as Indra's Daughter.



Willi Kowall and Renate Schroeter in 'A Dreamplay'

Arnofini Gallery, Bristol

Allen Jones

by WILLIAM PACKER

Allen Jones was conspicuous among those artists who had the doubtful, impressive, but so memorable label "Pop Artist" wished upon them some 15 years ago. In the early 60s it seemed to satisfy every expectation: the cult of youth, the consumer ethic, bad taste, the happy iconoclasm of the young and the innate philistinism of everyone else. It seemed also to be the last bastion and only hope of modern figurative painting with any claim to critical respectability. A close look at the work of the individual artists concerned shows, of course, that it was more serious, perhaps better, certainly more various, than such easy critical packaging ever managed to suggest.

But old prejudices die hard, if at all. The best encouragement to them, to do the decent thing and fade away, is to give the work itself another airing, not necessarily the heavy treatment of a major retrospective, but rather a quiet look at the way things have gone over a number of years. This small selection from Jones's work of the 70s, including painting, sculpture and print-making, has provided already just such an opportunity to the Welsh and the Scots. It remains at its final venue, the Arnofini Gallery in Bristol, until August 16.

The Pop Artist, if you must attempt a definition, draws his subject-matter from the urban culture we now enjoy, especially from the ephemera of advertising and communication, the glass of fashion and the mould of form. As such it becomes a kind of oblique social comment, arising precisely from the attitudes and interests of the particular moment: its precision ensures that it will date quickly. The accessories to human activity become the central objects of interest; and it is easy to see how this process may lead to their celebration as trophies of one kind or another, or fetishes. Jones has found himself drawn in this direction, his interest lying in the iconography of kitsch, rather appropriate to our permissive age, and he has achieved a certain notoriety in consequence. And yet his imagery is not always sexual, and when it is, never exclusively so. The difficulty in his case is that the high heels, the boots, the leather, the thighs, and all the other trappings of sexual diver-

sion, are so strong and so specific they blind us, or would unless we took great care, to the other elements in the work. The sexual implications are undeniable, and legitimately fascinating, but we must remember that there is always more to Art than subject-matter. Fragonard's *Swing* is rather more than a simple picture of a girl losing, among other things, her shoe.

Jones has to accept the sexual reading of his work, or do something about it; and indeed it is apparent in this show that he is moving away from the explicit and perverse towards a cooler, more ironic view, one close to his much earlier work, before it became dominated by the attributes of sexual fantasy.

His latest paintings, including a number of large and impressive watercolours, take for their image a shoe perhaps, a box of tissues, a silk stocking or a mannikin head, each displayed in splendid isolation in a shop window. The fetishist undertones are strong, but they are now equivocal and implicit, not openly shocking, and their surrealism allows the imagination room to move.

This principle holds good for the sculpture as well: the female furniture, a green and kneeling girl supporting a glass table-top upon her back, the standing girl



Allen Jones: Secretary (fibre-glass and leather, 1972)

Coliseum

The Magic Flute

by MAX LOPPÉRT

The English National Opera's *Magic Flute* is a production that not only marries enchanting entertainment to solemnity and profundity, while being unusually faithful to the sense of the original stage-directions; it is also clearly built to provide handsome and durable service. On Thursday a fresh set of principals and a second conductor took over the revival, which was described in these columns at the time; all contrived to fit so gracefully into the picture, that an evening spent in the unrelieved heat of the theatre was far from the penance it threatened to be.

None of the singers comes wholly new to his or her role. Anthony Roden, a secure, wooden Tamino at Glyndebourne two years ago, has found a good deal of the vocal colour and energy, the variety of phrase, that eluded him then, while retaining the technical security. His aria was moulded in long lines; the dialogue with the Priest suggested that the import of the words was alive to him; his voice sprang out ardently to many Pamina's sighs, and bearing still more youthfully heroic, have still to be acquired before he is pronounced ideal in the role. Already he is impressive.

After a single emergency performance last season in the role, Felicity Lott makes an "official" opera house debut as Pamina, fresh and fragrant of tone, not as yet able to suggest much depth in the passages of grief and loss, a young and touching heroine. Others repeat past successes: Tom McDonnell, an engagingly lissome and downbeat birdcatcher with a good line in aggrieved puzzlement (a pity the singing itself is little short on line and smoothness); Maxine London, coping valiantly, at first a little shrilly, with Astrafarnas's slings; and the groups of Ladies and Boys, their comedy never exaggerated in Anthony's Besch's sharp and sensitive direction.

Gwynne Howell, the new Sarastro, rolled out some magnificently noble and serene phrases which then tumbled off in fulsome down below, yet his presence was at once severe and benign. The whole, admirable ensemble was led by David Lloyd-Jones, who failed to make the orchestral tone glow as it ought. But the climate in the pit must have been Saharan, yet who managed an unflinching, well-rounded reconciliation of all the musical levels. For one whose opera of operas this is, but who has not been seen it dulled or misunderstood, it was a happy evening.

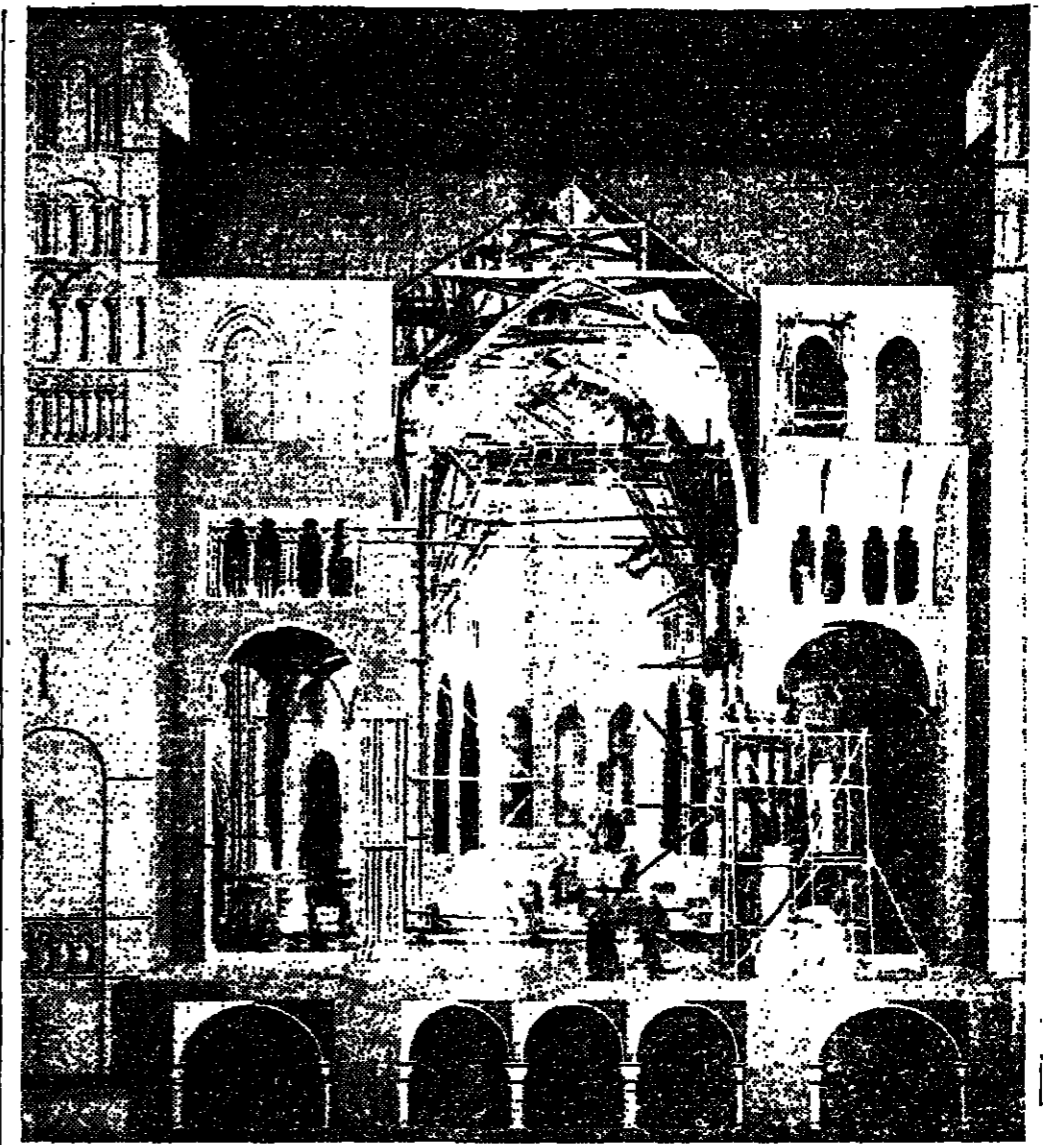
Albert Hall/Radio 3

The Rake's Progress

by RONALD CRICHTON

Modestly described in the programme book as a concert performance of the stage production, "Stravinsky's *Rake's Progress*" at the Proms on Thursday with the Glyndebourne Festival company was in fact semi-staged, with soloists and chorus acting out a large platform behind the small orchestra. John Cox's elaborate, detailed movements were naturally abridged (for the crowd, especially) but the action was clear enough to involve and delight what was presumably the largest audience that has ever watched this opera. Glyndebourne has the advantage over other bodies with less expertise who semi-stage operas in having a real production of high quality on which to base their adaptation. They use the advantage well.

We did not, of course, see the Hockney sets and costumes, but some of the props were visible, and the cross-hatching that is the visual leitmotiv of the production. Poor chattering Baba was duly silenced with a Hockney tablecloth, and in the auction scene, the character (the dress worn by Anne Truolove) was very grand for a country girl. Nick Shadow sported a waistcoat of Mephistophelean red. The cast was unchanged from the last



This large model illustrating the crafts employed in building in Norman times is one of the exhibits in 'The Story of a Cathedral' at Canterbury. The event spans 1,400 years of history, from the building of the Cathedral by William of Sens to our own day. It is on show in the Norman crypt of the Cathedral, where it will run initially for a year.

Dimitri Shostakovich

Dimitri Dimitrievich Shostakovich died in Moscow on Saturday from heart disease at the age of 68. For the outside world, Dimitri Shostakovich and Sergei Prokofiev were the great composers of Soviet music. Both were, in a Russian way, prolific, uneven, untidy. Both had strong musical personalities which, whatever their private convictions may have been, did not accommodate themselves together easily to official guidelines about the kind of music they should write.

Shostakovich, a generation younger, did not have Prokofiev's spell in the West. He was born in 1906 in St Petersburg, a city whose wartime sufferings under the name of Leningrad which brought him the greatest of his most durable fame of any of his works.

At the Leningrad Conservatory he was favoured by the director, Glazunov, who spotted his talent. His composition teacher was Maximilian Steinberg, Rimsky-Korsakov's son-in-law. The work which put Shostakovich on the map was the First Symphony (1926), a precocious score which has not lost vitality of freshness, as well as high spirits and an individual feeling for orchestral colour, it had two qualities prophetic of the future—a Mahlerian, bitter-sweet ambiguity in the composer's attitude to popular music, and a melancholy streak that was new because it earlier, and had to wait many years for forgiveness in revised form and under a new name. The Fourth Symphony was this was different from the ex-hastily withdrawn and its milder successor duly described as "a others of machinery and the composer's answer to just criticism." Shostakovich was involved in the Zhdanov rumpus of 1948. Later he was required to tone down the Yevstusenko texts of *Flidi Yur*.

One consequence of this state of affairs is a danger of confusion between the private and public sides of the music. Some of the later works especially are tinged with a black pessimism (expressed with masterly economy) which one is inclined to put down to outside pressure when it may be entirely personal—or vice versa. One can imagine that if Chaikovsky had written his *Patriotique* under such conditions, it might have been forced to hear programmatic interpretations going well beyond his private affections. What is incontestable is that, like his friend Britten, Shostakovich is one of the modern masters who have most valuably enriched traditional musical language in an original and personal way.

His last appearance before the public was in a television recording of his opera, *The Nose*, shown last month. He leaves a son, Maxim, himself a pianist and conductor of repute.

RONALD CRICHTON

Half Moon

Hatchet

by B. A. YOUNG

This play by Heno Magee offers us a slice of contemporary Irish life in which the innate violence is triggered neither by politics nor religion. The Baileys and the Mullalys fight as instinctively as they breathe. "Hatchet" Bailey got his name by confronting a mob with a hatchet when he was no more than 14. His father was a famous fighter in his lifetime, and his mother is a fair hand with a bottle or a bag still, and needs courage to meet the little encouragement to begin.

It is old Mrs. Bailey who starts the feud in the play. Barney Mullaly has insulted her in the pub. Naturally, Hatchet must round up his two attendants, layabout and kick, Barney's big brother Johnnyboy must cut Hatchet to ribbons. It is too bad that Hatchet should have married a girl with inclinations towards respectability, ambitions for a nice quiet life, instead of the squalor and fighting of a Dublin slum.

Mr. Magee develops his material along a predictable story line, but where he scores is in the vividness of his characterization and the quiet Irishness of his dialogue. Whether this bunch of thugs is an authentic picture of Dublin society I don't know. It is at any rate absolutely convincing, as convincing as the Boyles' household in *Juno and the Paycock*.

The playing in Roland Jacquarello's production could hardly be better. At the centre of it is Laurie Morton as Mrs. Bailey, stout, heavily made up, ready to join a fight in the pub as to sing a song. Colum Meaney gives a sharp impression of her son, trying at once to live up to the family's fighting reputation, yet battling at the same time with the hope of taking his young wife Bridie away from it all. Bridie is sympathetically played by Bernadette Shortt, and her snobbish elder sister is neatly done by Gillian McKelvey. Among the multitude of other characters—not all necessary, to tell the truth—Alan Devlin as Johnnyboy and Chris Gannon as Mrs. Bailey's halfwit brother, especially impressed me. And the punch-up at the end of Act 2 is one of the best stage fights I ever saw: a credit to fight director Malcolm Ramsom.

The Half Moon, for the benefit of the unenlightened, is in Allie Street, E1, two minutes from Aldgate East station. But much as I like going to this theatre, I think it would be a pity if such an ambitious production should stop there, if an authentic picture of Dublin ought to be given a showing in a larger house.

Arts news in brief

Happy as a Sandbag, a new Orchestra in the concert British music by Ken Lee will be directed by Claudio Abbado on open the Embassy Theatre, September 2, at 11 a.m. and on Wednesday, September 10, with reduced-price previews from September 3. David Fisher will design the scenery and costumes. Happy as a Sandbag programme on September 2 will be directed by Philip Hedley. It is set in the first half of the 19th century and shows the people of England kept cheerful and entertained during the war years.

Maurizio Pollini, the Italian pianist due to give a recital at the Edinburgh Festival in the Citadel Theatre on Tuesday, September 2, at 11 a.m. and to play as soloist with the London Symphony Orchestra at the Usher Hall on Friday, September 5, has been injured in a car accident and will not be able to appear.

The young Spanish pianist Rafael Orozco has agreed to give a recital on September 3 and to play with the London Symphony

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Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Today	British Furniture Manufacturers' Ex. (cl. Aug. 14)	Manchester
Aug. 14-15	United Counties Agricultural Show	Carmarthen
Aug. 17-21	International Gift Fair	Earls Court
Aug. 22-30	European Model Railway Festival	Central Hall, S.W.1
Aug. 23-31	Brighton Intl. Exbn. and Trade Fair	Metropole Exbn. Hall
Aug. 23-Sept. 6	Handicrafts and Do-It-Yourself Exhibition	Olympia
Aug. 30-Sept. 4	Motor Cycle Exhibition	Earls Court
Aug. 31-Sept. 4	West of England Gift Fair	Bristol
Sept. 2-4	Control and Instrumentation Exhibition	West Centre Hotel, W.6
Sept. 2-6	Northern Floor Coverings Fair	Harrington Exbn. Centre
Sept. 2-6	Business and Light Aviation Show	Griffiths, Beds.
Sept. 7-11	Furnishings and Decorative Lighting Exhibition	Brighton
Sept. 7-11	International Gift Trade Fair	Manchester
Sept. 8-12	Menswear Fashion Fair	Manchester
Sept. 8-20	Food, Cookery and Catering Exhibition	Manchester
Sept. 9-20	Chelsea Antiques Fair	Chelsea Town Hall
Sept. 10-20	East Midlands Home Life Exhibition	Leicester

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Ocean Exposition (cl. Jan. 18)	Okinawa
Current	Fishing Machinery Equipment (cl. Aug. 20)	Leningrad
Aug. 15-24	Austrian Timber Fair (cl. Aug. 17)	Klagenfurt
Aug. 17-20	International Trade Fair	Malmö
Aug. 20-Sept. 1	Fancy Food and Confection Show	Chicago
Aug. 20-Sept. 1	Plant Protection Exhibition	Moscow
Aug. 20-Sept. 5	International Fair	Algiers
Aug. 20-Sept. 6	New Zealand Trade Fair	Wellington
Aug. 20-Sept. 20	International Fair	Izmir, Turkey
Aug. 22-24	International Men's Fashion Week	Cologne
Aug. 22-Sept. 7	International Trade Fair	Roskjavik
Aug. 23-27	International Leather Goods Fair	Offenbach
Aug. 24-27	International Fair	Frankfurt
Aug. 24-28	Fall Gift Show	Montreal
Aug. 28-29	International Sports and Recreation Trade Fair	Stockholm
Aug. 28-29	National Hardware Show	Chicago
Aug. 27-Sept. 7	Ideal Home Exhibition	Dublin
Aug. 28-Sept. 2	Radio and TV Exhibition	Zurich
Aug. 28-Sept. 7	Mining Industry Technical Exhibition	Donetsk
Aug. 28-Sept. 7	International Radio and TV Exhibition	Berlin
Aug. 31-Sept. 2	International Fashion Fair	Gothenburg
Aug. 31-Sept. 2	Men's Fashion Fair	Copenhagen
Aug. 31-Sept. 3	Toys and Souvenirs Exhibition	Lausanne
Aug. 31-Sept. 4	International Autumn Fair (consumer goods)	Utrecht
Aug. 31-Sept. 5	Fall Gift and Jewellery and Housewares Show	Dallas
Aug. 31-Sept. 7	International Autumn Fair	Leipzig
Aug. 31-Sept. 8	China, Ceramics and Jewellery Exhibition	Brussels
Aug. 31-Sept. 14	International Fair	Thessalonika
Sept. 1-5	International Water Conservancy Exbn. and Conf.	Jonkoping, Sweden
Sept. 1-10	International Trade Fair	Plovdiv, Bulgaria
Sept. 7-7	International Men's Wear Exhibition	Salzburg
Sept. 7-9	Women's, Children's and Men's Wear Exhibitions	Paris
Sept. 7-10	International Trade Fair	Düsseldorf
Sept. 8-14	International Hotel and Restaurant Exhibition	Sao Paulo
Sept. 8-13	Electronics and Electrical Eng. Trade Fair	Basle
Sept. 10-18	International Engineering Fair	Brno, Czechoslovakia
Sept. 11-21	International Motor Show	Frankfurt

BUSINESS AND MANAGEMENT CONFERENCES

Today	ABRAXAS: Basic Synthesis (cl. Aug. 15)	Richmond Hill Hotel
Aug. 28	Avon Noise Control: Industrial Noise	Melksham, Wilts
Sept. 1-2	Financial Times, Norwegian Journal of Commerce and Shipping, Svenska Dagbladet, Berlinke Tidende, Helsingin Sanomat and the Oil Daily: The Second Scandinavia and the North Sea Conference	Oslo
Sept. 1-4	Asian, Cent. Agents: Fin. Planning and Control	Hotel Russell, W.C.1
Sept. 1-5	Brunei Univ.: Workplace Negotiations	Uxbridge, Middlesex
Sept. 1-26	Harry Mitchell and Partners: Work Study	Reconon, Notts.
Sept. 2-3	Henley Centre: Britain in the 1980s	Henley, Oxfordshire
Sept. 2-4	IPM: Efficient Personnel Administration	Park Court Hotel, W.2
Sept. 2-4	Nat. Res. Laboratory: Energy Utilization	Glasgow
Sept. 3	Int. M.: Materials in Petrochemicals	Runcorn, Cheshire
Sept. 3-7	AIC conf.: Accounting for Inflation	Trinity Coll., Cambridge
Sept. 3-12	IRI: Management in Engineering	London Grad. Bus. Sch., NW1
Sept. 7-25	W. D. Scott and Co.: Clerical Work Improvement	Moor Hall, Cuckham, Berks
Sept. 8-Oct. 3	Shirley M. Coll.: Management Dev. Prog.	Berkhamstead, Herts.
Sept. 8-12	P.F. Cons. Group: Art of Management	Exham, Surrey
Sept. 10-11	Financial Times and the Oil Daily: World Coal	Europa Hotel, W.1
Sept. 11-12	BIM: Effective Speaking	Parker Street, W.C.2

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends are intended or not. The sub-divisions shown below are based mainly on last year's timetable.

COMPANY MEETINGS	Waldorf Hotel, W.C.12
Aug. 14-15	British Furniture Manufacturers' Ex. (cl. Aug. 14)
Aug. 17-21	United Counties Agricultural Show
Aug. 22-30	European Model Railway Festival
Aug. 23-31	Brighton Intl. Exbn. and Trade Fair
Aug. 23-Sept. 6	Handicrafts and Do-It-Yourself Exhibition
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Sept. 8-12	Menswear Fashion Fair
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HOME NEWS

Rates forcing companies from South East—survey

BY ARTHUR SMITH

COMPANIES are contemplating moving out of London and the South East because of recent rent and rate increases, according to a survey by the London Chamber of Commerce.

The chamber said today that in a survey of more than 300 companies, 12 per cent said they intend to move out of the region altogether.

More than half the respondents said recent increases in rents and rates would cause them to restrict expansion in the immediate future, while 24 per cent said any future building development would take place outside the South East. Companies planning to leave were mostly in chemicals, metal manufacture, engineering, and the chamber said.

Some 43 per cent of respondents said that rent and rate rises had boosted accommodation costs by between 26 and 50 per cent, while a further 31 per cent said costs would be increased by more than a half.

The survey also indicates widespread anxiety about the possibility of further large rate increases next year. The fear

is particularly strong among labour-intensive industries in inner London, such as textiles, clothing and furniture.

Concern is expressed by the chamber that, as more and more industrial firms leave London, the rate burden will be loaded on to an even smaller number of companies, resulting in a vicious squeeze for those remaining.

The chamber survey, in contrast to the recent CBI Trends Survey, suggests that firms in the south-east are hanging on to labour and in some cases actually trying to recruit more.

The chamber notes that this may reflect the fact that capital intensive and export orientated industries—such as electronics, chemicals, civil engineering and pharmaceuticals—are more concentrated in London and the South East and may still be experiencing a shortage of skilled labour.

There is also a general concern about a possible long-term shortage of skilled labour which could result in restrictions on output.

Tory work schemes for jobless young

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

CONSERVATIVES increased their pressure this week-end for schemes to provide community service work, particularly for unemployed school-leavers who are expected to reach a 40-year record total this autumn.

Tory MP Mr. Anthony Steen and Mr. Leon Brittan proposed a scheme by which school-leavers would take on tasks such as

aiding the elderly. Mr. James Prior, the "shadow" Employment Secretary, reminded a conference of Conservative trade unionists in Yorkshire that the last Tory Government's "Operation Eyesore" project had made an effective contribution during the previous period of high unemployment.

However, Dr. Rhodes Boyson, MP, attacked any notion of making community service compulsory for school-leavers who would otherwise be jobless. Any such action, he told a London meeting, "would be another advance to collectivism, and it smacks too much of national socialism and service to the fatherland."

British Steel looking for 2,100 Scots jobs

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE BRITISH STEEL Corporation has contacted over 100 Scottish companies in its efforts to find alternative employment for many of the 2,100 steelworkers in Scotland whose jobs are expected to disappear in the next five years.

The Corporation's unusual job-winning campaign is being intensified following last week's Government statement about the extent of steel industry rationalisation in Scotland. The announcement, which forewarned of the 2,100 jobs disappearing compared with the 6,500 expected at one time, seems to have taken the issue of Scottish steel workers' closure off the boil for the moment at least.

However, the BSC is anxious to minimise local opposition to the curtailed plans. Although its own internal expansion should provide an estimated 3,535 new jobs to set against the expected 5,640 job losses, it realises that co-operation in the works mainly affected may depend upon the prospects for alternative employment outside the steel industry.

It has therefore established a promotional team jointly with the Scottish Economic Planning Department, which is responsible for undertaking the recently unveiled industrial recovery project in the steel-dominated Cambuslang area of Glasgow.

It has identified some 20 companies which are thinking of development in the area, a few tonnes of which are furnace to if they are given appropriate assistance. The corporation has already released 100 acres of

Heat boosts taxi trade

FINANCIAL TIMES REPORTER

TIRED tourists and the hot weather have saved the taxi trade from the expected price increase drop in trade. Despite the 25 per cent fare increase, which came into effect on Monday, London's taxi drivers say business is booming.

The trade had feared that the increase might lead to as much as a 20 per cent drop in hirings, but over-heated tourists have taken up any slack created by economy-conscious British customers. From the taxi driver's point of view, the rise could not have come at a better time.

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International Music Salon - High Fidelity	Sept. 4-8	EXPOMOTOR 75 - Exhibition of Spares & Accessories, Tooling & Mechanical Equipment for Servicing Cars, Motor Cycles, Agricultural Machinery, Motor Boats & Go-karts	Nov. 27-Dec. 1
AUTUMN CHI-BI 75 - International Salon of Bijouterie, Fancy Goods & Sales Promotion Articles	Sept. 4-8	25th EUROTRICOT - European Hosiery & Knitwear Salon	Jan. 6-9
AUTUMN MACEF 75 - International Exhibition of Household Goods, Glass & Chinaware, Silverware, Gift Articles, Hardware & Tools	Sept. 4-8	28th MIPEL - Italian Leather Goods Market (International Salon)	Jan. 9-13
7th MICAM - 39th International Exhibition of Footwear, Leather & Accessories	Sept. 6-9	LAVASTRI - 3rd International Exhibition of Machines, Installations & Equipment for Laundering, Dry Cleaning, Ironing and Dyeing	Jan. 23-28
15th Italian Furniture Salon	Sept. 16-21	14th International Toy Show	Jan. 29-Feb. 5
SMAU 75 - International Exhibition of Office Furniture, Machines & Appliances	Sept. 16-21	CART 76 - International Stationery Salon for Paper, Paper & Cardboard Products, Educational Supplies	Jan. 30-Feb. 3
INTERSAN - International Orthopaedics Exhibition - Medical Techniques - Surgical Instruments & Equipment - Physioelectromedical Appliances - Corsetry - Hygiene Articles for Infants	Sept. 27-30	CHI-BI-CAR 76 - International Exhibition of Gift Articles, Fancy Goods, Bijouterie & Smokers' Requisites	Jan. 30-Feb. 3
MIAS 75 - International Market for Summer Sportswear & Camping Equipment	Sept. 30-Oct. 2	Exhibition of Russian Scientific & Technical Products	Jan. - Feb. (date to be announced)
ITMA 75 - 7th International Exhibition of Textile Machinery	Oct. 6-15	EUROZOO - International Exhibition of Domestic Animals, Pets & Accessory Products	Feb. (date to be announced)
32nd MIFED - International Film, TVfilm & Documentary Market	Oct. 21-31	INTEL 76 - 2nd Electrical Technology Exhibition	Feb. 7-11
37th MITAM - International Market for Clothing Textiles	Nov. (date to be announced)	SPRING MACEF 76 - International Exhibition of Household Goods, Glass & Chinaware, Silverware, Gift Articles	Feb. 12-16
EXPO CT 75 - 40th International Exhibition of Trade & Tourist Facilities & Equipment	Nov. 1-9	IPACK-IMA - International Exhibition of Packing & Wrapping, Internal Factory Conveyor Transport & Food Industry Machinery	Feb. 16-22
E.B.E. - 5th European Drinks Exhibition	Nov. 1-9	12th COMIS/PEL - International Fur Dealers' Salon	March (date to be announced)
5th SIPRAL - International Food Products Exhibition	Nov. 1-9	17th International Exhibition-Conference: Heating, Air-conditioning, Refrigeration & Sanitary Installations - Ceramic-glazed Tiles Salon	March 1-7
5th RICH E MACH 75 - International Chemical Equipment Exhibition	Nov. 6-12	2nd EUROCUKINA - Biennial International Exhibition of Kitchen Furniture	March 6-9
7th SIMEI - International Wine & Bottling Machinery Exhibition	Nov. 16-23	GRAFITIA 76 - 2nd National Exhibition of Machinery & Materials for the Printing, Paper-making and Paper-processing Industries	March 8-14
PULISAN-HYGIENE 75 - Exhibition-Conference: Materials, Equipment & Techniques for Cleaning & Hygiene in Industry	Nov. 20-24	MIAS 76 - International Market for Sporting and Camping Equipment	March 13-16
PAVRIV 75 - Exhibition-Conference: Domestic and Industrial Flooring, Linings & Wall Coverings	Nov. 20-24	Exhibition-Conference on Numerical Controls	March 25-April 2
44th International Motor Cycle & Bicycle Show	Nov. 22-30		

For further information write to: Segreteria Generale della Fiera di Milano - Largo Domodossola 1 - 20145 Milano (Italy) - Telex 37360 PIERAMI

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August 1, 1975

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HOME NEWS

North Sea oil attraction lost, claims bank

FINANCIAL TIMES REPORTER

ALTHOUGH the U.K. is more favourably placed with regard to future energy supplies than any other European country, there remains serious cause for concern in the decline in enthusiasm for the North Sea and the growing cost of oil, according to Mr. Richard Bailey, a former director of Political and Economic Planning (PEP).

Writing in the latest National Westminster Bank quarterly Review, Mr. Bailey argues against any "easy optimism" on the energy front. In particular, he asserts that the "glowing promises held out by the first discovery of North Sea Oil will not now come to fruition."

Inflation and the unprecedented rise in capital costs for exploration and development have removed much of the profit attraction which had seemed to accompany the dramatic rise in oil prices of a year ago, while the Government's new taxation policy has meant that the state would be taking an average of 70 per cent. of the oil companies' net revenue from fields.

As a result, there have been delays in development, so that self-sufficiency, originally forecast for 1978, is now unlikely to

be achieved until several years later.

The oil would be of high cost, because of the very heavy investment needed to produce it and bring it ashore, and there was always the danger that the Middle East countries, seeing a falling market for their oil, might reduce prices and undercut the North Sea.

At the same time, oil prices, which at one time had held a 44 per cent. cost advantage over oil delivered in power stations, were now rising rapidly and were in some cases higher than oil cost to-day.

Nuclear power, which held out such great promise in the 1950s, was also suffering from problems, particularly technical ones.

While Britain's position remained a relatively attractive one on the energy front compared to its neighbours, therefore, there was still no room for complacency.

Some duty-free goods are dearer—Minister

SOME GOODS cost more in airport duty-free shops than they do elsewhere, Mr. Charles Irving, Conservative MP for Cheltenham, claimed yesterday.

Mr. Irving, who is campaigning to get a fair deal for customers in duty-free shops, based his allegation on a letter he has received this weekend from Mr. Alan Williams, Minister of State, Prices and Consumer Protection. Mr. Williams had said: "There is no doubt that many travellers think that 'duty-free' is synonymous with 'cheap' but it is not always so. Many duty-

free goods bear a relatively high mark-up which makes them little cheaper than the same goods in the domestic market or even dearer than in some shops overseas."

The Price Commission considers that goods sold beyond the customs barrier are not goods supplied to the home market as defined by the Price Code and are therefore outside its scope, he added.

Mr. Irving commented yesterday: "It really is a farce. These shops are not breaking the law but their mark-up is far too high."

APPOINTMENTS

Executive changes made at Norcros

Mr. John Edges has been appointed deputy chairman of NORCROS, but will continue to carry out the duties of managing director and chief executive.

Mr. K. Roberts, chief executive of the company's construction division, and Mr. D. Norman, chief executive of its printing and packaging division, have become operational directors. Mr. Roberts is now responsible for both the construction and engineering divisions and Mr. Norman for the printing and packaging and consumer divisions.

Mr. L. F. Vyse, Mr. R. J. C. James and Mr. N. R. Gillet, senior executives in the Evered Group, have been appointed directors of EVERED AND CO. HOLDINGS.

EBRO (HOLDINGS) has announced the following reorganisation within the Group executive management. Mr. G. S. Moss has relinquished his responsibilities as managing director of Edbro, while continuing as group chief executive, and has been succeeded by Mr. C. Taylor.

Mr. B. G. L. Jackman has been appointed non-executive director on the main Board of CARAVANS INTERNATIONAL. Mr. Jackman was previously managing director of the Rover Triumph Division of British Leyland U.K.

Mr. Bruce Groot, Labour MP for Litchfield and Cannock, has been appointed Parliamentary Private Secretary to Mr. John Sullivan, Minister for Planning and Local Government.

Mr. J. U. Bridgett, previously

export manager, has been appointed deputy chairman of DENNIS MOTORS, part of the Hestair Group. He will carry the new title of export director.

Mr. T. Duncanson has resigned from the Board of ARTHUR BELL AND SONS in order to reduce his commitments.

Mr. A. E. Stanford has relinquished his appointment as managing director of TANK SAPP (U.K.) and is succeeded by Mr. Kenneth Watson. Mr. Stanford, while remaining a director of Tank Sapp, has now joined the Board of Tampines Tankers.

Mr. A. R. Bedlow has been appointed sales director of Tank Sapp (U.K.). He was previously sales manager.

Mr. Roderick Kirkland has been appointed managing director of A. AND A. BENEFACIS (U.K.). For the past two years Mr. Kirkland has been the company's operations director.

Mr. Simon Bait has been appointed to the Board of WILLIS FABER ADVISORY SERVICES.

Mr. R. A. Norris, previously general manager, has been appointed managing director of the CHELSEA BUILDING SOCIETY. Mr. W. H. Wilmot and Mr. M. H. C. Bayler, having reached retirement age, have left the Board.

Mr. A. F. Hancock has resigned as a director of CARRINGTON VYELLA to practise as a commercial lawyer in Paris.

Disabled drivers may sue Health Ministry

BY MICHAEL THOMPSON-NOEL

DISABLED DRIVERS involved in safety of tricycles. Mr. Reg in accidents caused by unstable Ralph, leader of the action invalid tricycles could sue the Health Ministry, it was claimed yesterday.

Mr. Peter MacBryan, co-ordinator of the Disabled Drivers' Action Group, said that the Government's negligence, it was claimed, he should be investigated now.

The first case of alleged negligence likely to come before the courts is that of Mr. Nigel Gregory, of Sittingbourne, Kent, a police victim, who says he was blown through the roof of his overturned tricycle at Easter.

He is seeing his solicitor to receive counsel's opinion. A counsel for the action group said at the week-end that whether the Health Department would be liable for negligence would depend on whether plaintiffs could establish that their accidents happened to a significant degree—as a result of one of the trike's alleged "unsafe" design features.

"To take a specific instance, if a disabled driver was suddenly blown by a side wind into an oncoming vehicle, this would raise in the clearest form the vital question as to the Department's negligence."

In turn, the Ombudsman himself came under attack from Mr. MacBryan, who claimed the Health Department was neutral and seemed to avoid a firm ruling on the negligence.

Anti-smoking lobby sponsors rally car

BY MICHAEL THOMPSON-NOEL

A RALLY CAR driven by a Carey yesterday. "We hope it marketed and sold. Mr. Howell ruled out the possibility of a complete ban on sports sponsorship by tobacco companies—worth an estimated £4m. yearly at present—but said talks would start this autumn on securing a voluntary code of conduct for promotion of sponsored events."

In a letter to Mr. Howell published yesterday, ASH stated: "We recognise the importance of obtaining adequate funding for sport, but we cannot accept that the association between sport and cigarettes—which could help to encourage so many, including children, to smoke—is a healthy leads the world," said Dr. tobacco products were made.

"This goes a small way to Health Minister, told the Commons that the Government was considering a bill to impose stricter controls on the way in which

NEWS ANALYSIS—DROUGHT

Bonus—when the heat's on

BY JOHN CHERRINGTON

THE thunderstorms on Friday night have temporarily reduced the scorching temperatures of the last week, but have done nothing to alleviate the drought which has lasted throughout the summer in much of southern and western Britain.

The high temperatures ripened off the grain crops more quickly than I would have believed possible, and fields which looked as though they would not have been ready to harvest until the middle or end of the month are now fit for the combine harvester.

The great heat caused the crops, particularly barley, to die rather than mature on the straw, and this is bound to reduce yield through a lack of maturity and a reduced moisture content.

On my own farm last Friday, barley was being harvested at 11 per cent. moisture content as against a normal 16 per cent.

But even if the moisture content is restored to normal, overall yields are, with the exception of some favoured areas, well down on last year due to the summer's drought affecting the growth pattern.

Reduced grain yields may in the end raise prices and so the cost of producing meat and milk, but at the moment the main impact of the drought on the consumer is in vegetables.

Wholesale potato prices are three times what they were last year. Cauliflowers, cabbages, onions, lettuce and beetroot are all showing increases approaching this level.

Because of the drought, grass growth has been limited throughout the summer and reserves of fodder, that is hay and silage, are believed to be lower than they have been for years.

There is little prospect of second cuts being made, except in the most favoured districts. Prices for hay are at least 50 per cent. up on last year, and barley straw, a less valuable fodder, is two or three times last year's price.

Instead of burning their straw, arable farmers in the south and east are selling it to farmers from the West Country and Wales, whose livestock enterprises are in desperate condition for lack of fodder for next winter.

So for the first time for many years, farmers are not burning straw. There is no scorched earth to spoil the view. It's about the only bonus of the drought.

MP calls for Post Office inquiry

AN MP yesterday called for a top-level Government inquiry into what he called "the decline and fall of the Post Office."

Mr. Gwilym Roberts (Lab., Cannock) complained: "In other nationalised industries, capital investment is paying off with more efficient services, yet the Post Office is marching backwards."

He is to press Mr. Eric Varley, the Industry Secretary, to institute an inquiry and urge him to direct the Post Office Corporation to study methods of speeding up postal deliveries and expand their services.

He said: "A letter takes longer to deliver than it did 30 years ago, deliveries are fewer,

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ROMAN CORPORATION GROUP
EXECUTIVE APPOINTMENT



Vincent L. Chapin

Stephen B. Roman, chairman of the boards of Roman Corporation and Denison Mines Limited, is pleased to announce the election of Vincent L. Chapin as president and director of Roman Corporation Limited and his appointment as vice president of Denison Mines Limited. Mr. Chapin brings to the group broad experience in finance and international business. In addition to his associations with senior levels of government and with major industries both in Canada and abroad, Mr. Chapin has been closely connected for several years with the Canadian and international banking and investment communities. He is well known for his role in negotiating large scale financing for international capital projects including mines, involving both private and public funds. Mr. Chapin was responsible for the negotiations of Canada's recent nuclear power loans to Argentina and South Korea for the CANDU system and, in conjunction with the Canadian banking community, has negotiated major lines of credit for Canadian capital goods and services with a number of foreign governments. Prior to joining the Roman Corporation group, Mr. Chapin was vice president of the federal Export Development Corporation, internationally, he served as vice chairman of the Foreign Investment Committee of the Berne Union and was for a number of years an adviser on Canadian Government delegations to the World Bank and Fund annual meetings.

SIEBE GORMAN HOLDINGS LIMITED

"Trading profit increased for eleventh consecutive year....UK exports ahead by 27% Group well placed to take profitable advantage of all opportunities".

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- Group trading profits a record £2.8 million.
- Group company pre-tax profits up by 30% to £2.5 million.
- Net earnings per share 18.8p, up 17.5%.
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Midday addition

Let the smooth, dry taste of Booth's Gin be part of your lunch-time. And mix business with a little pleasure.

Smooth Booth's

The Executive's World: The Office

EDITED BY JAMES ENSOR

Vincent Carratu, head of Europe's biggest investigation company, argues:

Kidnapping the president is easy money

IN MORE and more parts of the world, tycoons are buying cheap cars; dismissing their servants and arriving late at the office. Others are cancelling their plans for overseas tours at a moment's notice and firing their travel agent. The reason is not overwork, strain or just plain bad temper. It is the fear of being kidnapped.

For in a growing number of countries ranging from Italy, which is virtually the kidnapper capital of the world, to Brazil, Argentina and other South American countries as well as the Middle East, the threat of kidnapping is becoming yet another nightmare for the already harassed executive. And a growing headache for British companies with senior executives trying to open up new export markets.

Last year, according to FBI figures—the only figures available on the subject—over 3,500 businessmen were kidnapped throughout the world. The ransom payments varied from as little as \$200 to \$14m. paid by Exxon for the release of Victor Samuelson, one of their senior executives, in the Argentine.

This year the trend has been getting worse. Gianni Bulgari, heir to a jewellery fortune in Italy, was ransomed for \$16m. Last month the Argentine-based multinational Borge and Born was forced to pay no less than \$60m. cash ransom for the release of two kidnapped executives.

But the real figures could be even worse. For police fear that only one in three cases of executive kidnapping is reported to law enforcement agencies, the theory being the less you are seen to be a victim of a kidnapping demand, the less chances there are of drawing attention to yourself and suffering a repeat performance.

The other reason, of course, for not involving the police is the threat of further reprisals from the kidnappers. Companies are desperate to protect the lives of their executives in any circumstances. And if one of the conditions laid down by the kidnappers is excluding the police, many of them are only too ready to agree.

Given the fact that the odds are unfortunately so heavily on the side of the kidnapper, the



Mr. Charles A. Lockwood who was kidnapped in Buenos Aires, for the second time, and a Japanese Red Army girl with hostages in Kuala Lumpur, last week.



number of subsequent arrests is dangerously low. Again, according to the FBI, less than 100 kidnappers were arrested and sentenced last year, a fraction of the total.

This, in turn has given rise to different types of executive kidnappers. Apart from the straightforward politically-motivated kidnappers such as the Symbionese Liberation Army of Patty Hearst fame and the Montonero urban guerrillas who wrung the record \$60m. cash ransom out of Borge and Born in the Argentine, the common criminal has now turned his hand to kidnapping. Increased security precautions have made it virtually impossible to raid a bank nowadays, so kidnapping the bank president is, by comparison, easy money.

The number of businessmen who were actually killed by their kidnappers was thankfully very low, although the experience itself often provokes untold psychological damage for years afterwards.

But the problem remains: What on earth does a company do if one of their executives is kidnapped? Although it may be inconvenient, an executive security system could be a small price to pay compared with the horror of a kidnapping.

Prevention is, obviously, vital. Rather than face a kidnapping situation, companies should adopt a basic security programme, keep a low profile and plan ahead in case they are actually faced with a kidnapping situation.

A co-ordinating committee, reporting direct to senior management, should be appointed with responsibility for protecting all senior executives and negotiating with any subsequent kidnappers.

The committee should compile a complete dossier on all possible kidnappers in the company, with up-to-date photographs of each of them. It should then detail all company cars, registration numbers, etc. Names and telephone numbers of all close relatives should also be kept on file in case of emergency, as not only should the company's offices be subject to a security survey, but the homes of all senior executives as well. Many executives are snatched from their homes rather than their offices. It would be foolish, therefore, to overlook home security.

Security checks should be carried out on all employees working alongside the potential victims. Inside information from a disgruntled employee often leads to kidnappers.

Apart from such things as cancelling planes at the last minute, executives in the kidnapping blackspots of the world should be advised to be wary of speaking openly in front of any staff or servants. All cars should be equipped with two-way radios, and in some cases, followed by radar from a second car. Windows and doors should always be securely locked. Drivers should be given instructions in evasive driving;

told to be wary of open countryside; deserted locations and travelling late at night. They should also be instructed in ways of dealing with motor-cycles, which are an enormous aid to kidnappers because of their speed and manoeuvrability.

Many companies devise their own form of code to prevent kidnappers grabbing staff or children. School teachers, for example, would not release children to staff or even parents until the correct code word was given.

That is the prevention side of the coin. But it is equally important to prepare executives for any possible kidnapping attempt. Potential victims should be given an introduction to the psychology of a kidnapper: what motivates him; what arouses him and what is likely to provoke him.

They should be told how to conduct themselves during a kidnapping and how to adjust to the whole unnatural way of life. More important, they should be told how to remain calm in spite of the circumstances so that they are ready to exploit any reasonable advantage.

While most kidnappers are never traced, executives should be told how to recognise tell-tale clues to identify them such as odours, colouring, eyes, infections in the voice, speech patterns, nervous habits and so on.

They should also be practised in developing a system of signals known only to their company's security co-ordinating committee. Code words can be dropped into sentences in messages demanding help indicating location or other clues. If a pipe-smoker, for example, starts asking for cigarettes, this can be a further clue. Similarly writing left or right-handed: speaking French instead of Spanish and so on.

While the kidnapper is often prepared to kill his victim, in most cases he prefers to collect the ransom. Once the abduction has been achieved the odds of the victim suffering serious physical injury is usually remote. Anything he can do, therefore, to help the authorities trace him is invaluable.

The other key areas of concern is, of course, the conduct of the actual ransom negotiations themselves. The first step is to ensure that the people you are negotiating with are actually holding the victim. Priority, therefore, must be given to proving this and setting up a code system, to ensure that any ransom is not intercepted by a third party.

Evidence shows that in most cases, kidnappers will often allow their victims to speak direct to their companies to prove they are being held. In such cases, of course, a company code system comes into its own.

Agreement must also be reached on liaising with the victim's family as well as the police and possibly also the Press.

Because of the extreme sensitivity of the whole event, all the negotiations should be left in the hands of a single individual who knows the company code system, and who can be relied upon not to inflame an already dangerous situation by misunderstanding or confusion.

The final decision, however, on whether to accede to a kidnapper's demands must always rest with the victim's family. While there is obviously a strong bond of loyalty between an employee and his employers, it cannot rival that between a man and his family.

U.K. pay is systematic

ALTHOUGH U.K. executives are the worst paid in Europe, British companies are the most advanced in salary administration. This is clear from a study by Management Centre Europe called "Top Management Remuneration for Europe 1975".

For instance, Britain tops the league table for the proportion of companies with formal salary administration programmes, job evaluation systems and performance based merit increases. The tables show that the Netherlands is also highly developed in these fields, although lagging somewhat behind the U.K.

Reporting on 1974, MCE comments: "The most noticeable feature this year has been the rise in the number of companies which have been obliged, as a result of severe price inflation throughout

Europe, to review salaries every six months or at even more frequent intervals.

"Almost a quarter of participating companies in those countries where automatic indexation of wages and salaries is not a legal requirement or the usual practice, reported reviewing salaries every six months and in some cases every four months."

The survey also discovered that profit-sharing plans continued to play a minor role. Except for France where such schemes were legal, the proportion of companies offering such plans remained low. In the U.K. only 12 per cent of companies in the sample used these plans. U.K. executives appear at the bottom of almost all the European salary tables including those of net income adjusted to the cost of living.

R. L.

OFFICE WORKERS

Poor and underused

BY ROY LEVINE

THE BRITISH office worker is the most underused in Europe and the worst paid, apart from Spain.

This is the conclusion to be drawn from a study of "Office and Administrative Personnel Remuneration in Europe 1975," published by Executive Compensation Service of Management Centre Europe (MCE), a branch of the International Management Association.

The average British office worker has a 39-hour week. But half of MCE's sample worked fewer than 37½ hours. Only a tiny proportion (3 per cent.) worked 40 or more hours a week. Finland was the only other country among eight European countries studied which operated an office working week of less than 40 hours.

Spain was top of the table with an average of 43.6 hours a week, followed by France, Switzerland and Germany.

MCE's figures are based on quite a small sample, but are confirmed by The Institute of Administrative Management. According to the institute, slightly under half of the U.K.'s office staff work for 37½ hours a week. A further quarter, mainly in the London area, work for only 35½ hours a week.

Unfortunately, neither MCE nor the institute has compiled an office productivity index so that it is not possible to tell whether British office workers get more work done in their shorter hours. However, this seems unlikely from other studies made of output per worker which show the U.K. at the bottom of the European comparison tables.

Furthermore, a recent and comprehensive study by Macleod Consultants on the European office equipment market showed that countries like Germany and Scandinavia had a much higher concentration of machines to office workers than the U.K.—another indicator of productivity.

A survey published by the Alfred Marks Bureau shows that just over half the companies in its national sample used any form of time-saving office equipment. Moreover, more than half the secretaries questioned thought they were not being used effectively and that they had abilities untapped by their bosses.

When it comes to overtime, however, MCE shows quite a different pattern. All the companies studied in Finland operate overtime and give the highest overtime rates, normally twice normal salaries. In Spain, on the other hand, just over half the companies operate overtime and at the lowest rates among the nine countries.

In the U.K., nine out of ten companies operate overtime which suggests that some of the work not done in "normal" office hours is carried out at higher rates later in the day. But, as we know, not all office jobs require overtime—this is probably concentrated in specific work areas such as the computer room, or the accounts department at peak times and so on.

If Britain's office workers are the least energetic in Europe, one reason may well be their relatively poor pay. MCE do not make any statement on this but

it is clear from a random sample extracted from their study that this is so.

For example, I have made comparisons for four categories of office work and in virtually each case the U.K. worker is well behind his Continental counterpart.

The table shows the position in U.S. dollars. You can see that the U.K. executive secretary or senior accounts clerk earns less than half the salary earned by his counterpart in other countries like Germany, Sweden or the Netherlands. This difference is compounded by the lower tax rates in most of these countries together with the lower welfare contributions made by employees.

There are only two exceptions—accountants and systems analysts can earn more in the U.K. than in Finland. This probably reflects the shortages of these skills in the U.K. as months of that period following

programmers—grade 1 received a 30 per cent. rise, while grade V suffered an actual fall in salaries of 8 per cent. Once again two exceptions to the overall trend are systems analysts and accountants. In these categories MCE shows higher percentage increases at the higher salary levels.

This narrowing of differentials is confirmed in two other studies made specifically on the U.K. market. The most up to date is the study of London office staff pay for May this year by the consultants Hay-MSL, which concluded that the average of the current 56½ week pay increase proposed by the Government—there has in effect been a flat rate pay trend since May 1974.

The increase over May 1974 has been in the order of £10-£11 a week with the bulk of the increases coming in the first six months of that period following

Office salaries in Europe

		Executive Secretary	Senior Accounts Clerk	Accountant Grade IV	Systems Analyst
Belgium	8%	4,018	4,709	6,512	6,399
Finland	nil	3,092	2,821	1,885	4,340
France	8%	3,142	3,064	4,780	7,454
Germany	10%	5,019	5,594	7,209	7,588
Netherlands	10%	4,473	4,381	6,473	7,051
Spain	20%	1,803	2,180	3,228	—
Sweden	nil	4,779	6,059	—	4,503
Switzerland	8%	5,070	6,559	9,713	8,101
U.K.	5%	2,102	2,496	4,607	4,584

Figures extracted from "Office and Administrative Personnel Remuneration in Europe for 1975" by Management Centre Europe, and converted to sterling at rates ruling on January 1, 1975.

against other types of work. But the end of Phase III of the general picture remains the previous Government's pay restraint.

Spain, which has only entered the league of developed countries over the past 10 years or so, is still lagging behind U.K. pay in most office categories. But once the statutory two-month bonus is added on, the differential narrows considerably. According to MCE, bonuses of 20 per cent are not uncommon in Spain.

Despite the low pay of U.K. office staff there is evidence that the pace of salary increases is beginning to slacken. According to the Alfred Marks Bureau, pay for office staff in London rose by only £1.50 a week during the quarter ended May against a rise of £1.75 for the previous quarter.

The 42,000 school-leavers who have entered the market between mid-June and mid-July could have some effect on the market. Over 40 per cent of all girls and 10 per cent of all boys normally join the ranks of the country's 33m. clerical workforce, making up 13 per cent of the total labour force. Another interesting point highlighted in the MCE report is the narrowing of differentials in each country. This is especially true of the U.K.

There appears to be a rough cut-off point at about the £2,000 a year level. Those earning below £2,000 at the end of 1973 have kept well ahead of inflation while those above that level are relatively worse off. For example, a junior in the accounting clerk earning £1,106 in January 1974 to-day earns £1,245, an increase of 21.6 per cent. Yet the increase for a senior clerk 13.9 per cent.

This trend is even more blatant in the case of computer operators. There is a final word of warning about the Equal Pay Act which comes into force on December 29 this year. "In some manual work areas there may be difficulty in getting men to accept equality, but it seems unlikely to occur in offices. The real problem in offices will be in comparing like with like in order to determine who should be equal with whom."

For those males feeling particularly defensive, Mr. Marks points out that there is "a massive potential market and a salary premium of up to £4 a week for the male clerks who are brave enough to take the plunge and take secretarial courses."

The 1976 National Management Game

An opportunity to put your management skills to the test and win £500

The National Management Game is now firmly established. During the six years in which the event has taken place over 26,000 contestants have participated. It is widely acknowledged to provide useful training in management, putting people into a boardroom situation, where they work together to thrash out balanced decisions within a time limit, and under pressure of competition.

In the Game, specific and detailed business situations with their attendant problems, risks and consequences, are simulated with the help of a computer. Each team in the Game is, in effect, a company making decisions on the employment of its resources, in manufacturing and marketing a product over a number of trading periods in competition with other teams in groups. The winner is the team in each group generating the largest net profit. Initially a team may be composed of any number of individuals but teams in the final round are limited to six people each.

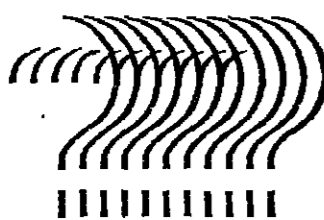
The National Management Game is sponsored by The Financial Times, International Computers Limited, and the Institute of Chartered Accountants in England and Wales, in association with The Institute of Directors and The Confederation of British Industry.

Teams taking part in previous Games have largely come from industry and commerce, accountants and consultants, banks and building societies, insurance companies, colleges and business schools, chambers of commerce, nationalised industries, and central and local government.

The entry fee is £40 (including VAT) per team and there is no limit to the number of teams entering from one organisation.

The first round begins in January and the competition is run on a knock-out basis over five rounds. The four most successful teams will compete in the finals in London in July 1976.

The winning team will receive £500 and will compete against teams from other countries in the European Management Game finals in Dublin.



The 1976 National Management Game

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Please send me full details of the 1976 Game together with an entry form.

Name

Address

DEAFNESS

The dangers of groups and road drills

BY DR. DAVID CARRICK

THERE ARE two major causes of deafness: that due to interference with sound waves reaching the inner ear (conduction deafness) and that due to a breakdown in the mechanism for transmitting sound to the brain from the inner ear (nerve deafness).

The commonest cause for conduction deafness is wax which, by gradually blocking the passage to the eardrum, sound passes to the eardrum, diminishes hearing. It may also cause sudden deafness following activities such as swimming. Although various oils can soften this wax, the only sure method for its elimination is by syringing. Any other method is inadvisable.

And the condition is just as important as the more dramatic and over publicised "coronary." Perhaps more so, for how can one know how many people are killed or maimed on the road yearly just because they have diminished hearing which is easily curable? It is impossible to say, but as the temporary deafness is long a-growing, then the figure might be very high indeed. One patient I saw recently did nothing until he found that he could not even hear City traffic, let alone telephone conversations.

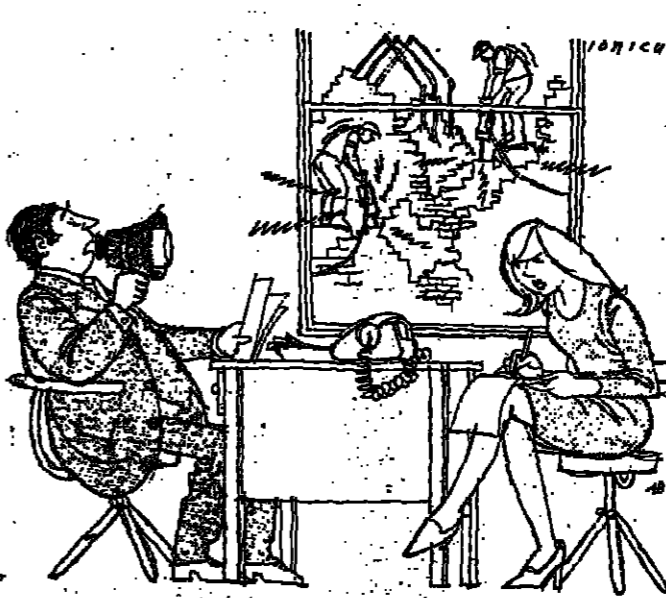
Syringing was not easy and I had to have three goes at his adamant wax. Eventually I got down to something that did not look human. Indeed it was sometimes satisfactory.

It was a plug of cotton-wool of such good quality that I suspect it was pre-2nd World War. When this was extracted from an unwilling ear, the patient's hearing was so acute that he found noises like clocks and popping corks almost insupportably loud.

For protection against unwelcome visitors, the inch-long, S-shaped canal down which sound passes to the eardrum, contains hairs and ceruminous glands which produce an oily fluid to wash invaders out. It is when this oil solidifies that it becomes a nuisance to a high proportion of people.

Another conduction problem is infection of the Eustachian tube which may not only cause deafness but sometimes severe dizziness and vomiting, as the organ of balance is aggravated by increased pressure in the middle ear.

Those apart, perhaps the commonest cause of conduction deafness is otosclerosis (which, for some unknown reason, there is an overgrowth of bone in the middle ear which gradually stops the ossicles from moving and thus the sound waves being transmitted to the inner ear. Not uncommon, the condition begins between 18 and 35 and is progressive. Improvement is sometimes obtained by the well-established operation of "fenestration." Results are not always satisfactory.



Dear Sir, Regarding your pneumatic drills

Deafness of a sudden nature usually arises from one of four causes: Meniere's disease (which cannot be discussed here); spread of infection from the middle ear; virus invasion during influenza or mumps, etc.; and auditory concussion, as in a loud explosion. The latter is usually temporary but the outlook for the others is not very encouraging.

Nerve deafness of gradual and progressive nature is due to a variety of causes but the commonest is old-age. This is

seldom "pure" nor are they of a constant pitch or intensity. The total sound is an accumulation of noises which may be caused by speech plus type writers plus road-traffic and, possibly, pneumatic drills outside. Although no deafness is likely to occur at levels below 85 decibels, there is a great difference in individual sensitivity to noise—particularly that of an intermittent nature.

This type of noise, if excessive, will cause irritability, reduced morale and, therefore, affect work output. Every effort to reduce noise should be made by using double-glazing, sound-proofed walls and ceilings and employing as quiet machines as possible.

When an individual is subjected to noise levels of over 90 decibels, nerve deafness will develop. This is due to the gale effect on the tiny sensory hairs on the inner ear, which eventually wither and rise.

Tracing causes is not so simple. I saw a young man recently who complained that he could no longer hear his guitar. He was found to have early nerve deafness over a very wide range. Having ascertained of loudness ordinary speech that the poor soul spent his leisure hours in a "group" machine, 100 decibels, and a took a decimeter to his party big for taking-off, up to 150 and, when it hit 120 decibels, I turned it off so as to protect his hearing and my sanity.

مكتبة مصر

OVERSEAS NEWS

'A bad time' for Africa if Rhodesia talks fail—Kaunda

BY GRAHAM HATTON

JOHANNESBURG, August 10.

A WARNING that Southern Africa was in for a bad time unless the Rhodesians continued to negotiate was issued by Zambia's President Kaunda today in the wake of apparently fruitless discussions in Pretoria yesterday between Mr. Smith and Mr. Vorster.

The Zambian President's remarks were published in today's Johannesburg Sunday Times. "The Rhodesians are in a bad time," Kaunda said. "The question is whether Mr. Vorster will prevail in persuading Mr. Smith to accept the importance of continued negotiations. I hope Mr. Vorster succeeds. If not, we are in for a bad time."

Judging from the joint statement Mr. Vorster made with Mr. Smith yesterday, some success has indeed been achieved. The statement said: they had had "very fruitful discussions" and agreed to proposals which "implied the convening of preliminary talks with a minimum of delay. They believe that Mr. Vorster may have succeeded in talking Mr. Smith out of his refusal to hold talks outside Rhodesia, which until now has been a major obstacle to the settlement attempt."

Nationalist sources say the Smith-Vorster statement is the most promising development in the Rhodesian dispute for some time. It is all the more promising, they say, when viewed against the distinct likelihood that the talks were preceded by diplomatic exchanges between Whitehall and Pretoria on the essence of the recent meeting between the British Foreign Secretary Mr. James Callaghan and the leader of the African National Council, Bishop Abel Muzorewa. The visit to Lusaka last week by the South African Secretary of Foreign Affairs Mr. Brand Fourie is likewise of particular significance regarding the venue of possible talks.

Reporter reports from Salisbury: Rhodesia's Government will ask the black nationalists to order a complete halt to guerrilla activity as a precondition for any further talks, informed sources said today. The sources were commenting on new proposals aimed at a settlement of the Rhodesia crisis brought back by Prime Minister Ian Smith last night from Pretoria.

John Stewart reports from Cape-

South Africa acts to protect Rand

BY GRAHAM HATTON

JOHANNESBURG, Aug. 10.

IN AN attempt to conserve South Africa's hard-pressed foreign exchange reserves and avoid being forced to dump part of the nation's official gold stock on the free market, Pretoria this morning announced a comprehensive tighter money package designed to stem speculation against the Rand.

The speculation, sparked off by the recent decline of the pound sterling and appreciation of the U.S. dollar (to which the Rand is pegged at a rate of R1=£1.40) was rapidly draining the country's foreign exchange reserves and bringing nearer the day when South Africa would be forced to dump part of its considerable official gold stock on the Zurich and London gold markets.

The package, announced this morning in two parts by the Minister of Finance and the Governor of the South African

Reserve Bank, includes: an increase by half of one per cent. to 8½ per cent. in bank rate; increased banks' liquid asset requirements; various relaxations of exchange control designed to facilitate foreign borrowing by businesses and banks; and extended forward cover facilities for importers.

In addition, moves are afoot to make the blocked Rand transferable between foreigners—the object being to make investment in South Africa generally more attractive. Details have still to be finalised.

The key to the package is the permission granted to banks and businesses to borrow abroad. Pretoria plainly hopes that by tightening liquidity and raising interest rates at home, it will persuade South Africans to look overseas for funds, thereby strengthening the balance of payments.

Rabin says Israel is not a nuclear power

BY L. DANIEL

JERUSALEM, August 10.

ISRAEL is not a nuclear power and will never be the first to introduce atomic weapons in the Middle East, Israeli Premier Yitzhak Rabin stated today in answer to a question. Speaking at a joint Press conference with Mexican President Echeverria, Premier Rabin confirmed that there had been forward movement in negotiations with Egypt, though differences remained on key questions.

President Echeverria disclosed officially that he had sent his Foreign Minister to Cairo on Friday for consultations with President Sadat on possibilities for furthering negotiations for the proposed interim agreement.

Ashland details \$1.2m. of political payments

BY ADRIAN DICKS

WASHINGTON, August 10.

UNDER strong pressure from the Securities and Exchange Commission, Ashland Oil over the week-end released details of its \$1.2m. list of political contributions in the U.S. and abroad during the years 1967-73.

In addition to some two dozen payments to American politicians—campaigns—in apparent violation of the Federal statute prohibiting such contributions—the Ashland statement confirmed earlier reports of a \$150,000 payment to President Albert Bongo of Gabon. It also showed that Mr. Nguema Ndongo and Mr. Paulin Ampamba Gouerzangué, members of the Gabon Government, received respectively \$40,000 and \$12,000 in 1972, the same year that Mr. Bongo was also favoured with Ashland's generosity.

Two smaller payments, totalling \$10,000, were made to officials of the former Libyan regime, while another recipient was Sen. Miguel R. Garrido Alvarez, a senior diplomat of the Dominican Republic, apparently in connection with a refinery project in his country.

None of these payments abroad were illegal under U.S. laws. The SEC's interest in the seemingly vast pattern of bribery and discreet political meddling overseas by American companies stems from its obligation to see that managements report truthfully how shareholders' money is spent.

The Commission is therefore trying hard to persuade companies to disclose voluntarily and

in Ashland's case had threatened to force disclosure through a court action. There is, however, little sign that companies will now rush to make a clean breast of how much they have paid out to foreign officials. SEC officials admit that it is less embarrassing for the donors' continuing relations with the recipients for the Commission to force publication of names and sums, than for companies to appear to be doing so voluntarily.

In addition, some companies such as Lockheed which have been accused of paying out large sums have strongly insisted that their overseas business would otherwise collapse.

Meanwhile Ashland's domestic political payments are shown by its announcement to have been unusually wide-ranging. Several present members of the Senate, including Mr. Herbert Humphrey and Mr. Birch Bayh among present Democratic party presidential hopefuls, were among the recipients. Ashland seems to have scattered a total of \$724,000 among national politicians of both parties and of all shades of opinion, as well as contributing generously to campaigns in its home state of Kentucky.

The company has already been convicted for its \$100,000 contribution to Mr. Richard Nixon's 1972 re-election campaign and for some of the other contributions. Many of the rest were too long ago to be subject for further action, and the Watergate special prosecutors have already closed their books in exchange for the company's guilty plea.

OECD is optimistic on Japan economy

By Robert Maithner

PARIS, August 10.

AFTER the longest and most severe recession in Japan's post-war history, the indications are that the worst is over and that economic activity in the country has begun to recover, according to the latest survey of the Japanese economy due to be published by the OECD Secretariat to-morrow.

On the basis of present trends and policies, the upturn in activity which started in the second quarter of 1975 is forecast to continue over the next twelve months, though at a much slower pace than during previous periods of recovery.

In an initial period, stock-building, public works and residential building should provide the impetus, while the growth of private consumption is expected to remain moderate.

Subsequently, exports are also expected to respond to the faster expansion of world trade and the state of business fixed investment may come to an end as the result of more buoyant domestic and foreign demand.

According to the OECD Secretariat's scenario, real GNP is expected to rise by 5 to 6 per cent. over the next 12 months, roughly in line with the rate at which productive capacity is currently rising. But this implies that the substantial margin of slack which has developed since the beginning of 1974 would remain and that the recovery would soon peter out if not boosted by new policy measures.

Since demand from Japan's main export markets is not expected to pick up until late in the year, exports in volume are expected to continue their first-half decline in the second half of 1975. But given the depressed level of imports in the first half, the large trade surplus recorded during this period and an expected improvement in the terms of trade, the trade balance could well register a surplus of more than \$6bn. in 1975, while the current account may be close to equilibrium.

The OECD warns, however, that because of the probable faster expansion of imports than exports from now on, the current surplus in the first half of 1975 is likely to be replaced by a moderate deficit during the 12-month period to mid-1976.

The report, on the whole, praises Japan's economic performance over the past two years, pointing out that not only has the balance of payments improved markedly, but that the rate of inflation has been brought down from over 30 per cent. a year ago to an underlying annual rate of less than 10 per cent. now.

As usual, however, the Secretariat's economists are in two minds about how wide-ranging the measures to stimulate economic activity should be.

On the one hand, they emphasise that a sustained recovery of Japan's economy is also desirable from an international point of view and that, in the present situation, countries with a good price performance and no serious payment problems should take the lead in stimulating world economic activity. On the other hand, they warn that there are still latent inflationary pressures which could be sparked off by a strong upturn in demand and that caution must remain the watchword.

W. German call for stringent saving

By Jonathan Carr

BONN, August 10.

STRINGENT saving measures in several key fields including development aid, health, transport and agriculture policy are being urged on the West German Finance Minister by a council of experts. The recommendation is made with the warning that the State deficit may not drop significantly below this year's level even when the current recession is over.

In a report ordered by the Ministry and likely to be released shortly, the council faces up to the problem which is bound to give the Government increasing difficulties in coming months—how to deal with the record deficit in the public sector.

In essence, there are two solutions—to raise taxes or to cut back expenditure, neither remotely attractive to a Government facing a general election next year. The Finance Minister Hans Apel has once indicated that when the long-awaited economic upturn begins, then tax increases will have to follow. He was promptly attacked from all sides.

On the other hand the savings measures Bonn has already introduced have stirred trouble, not only at home but among West Germany's Common Market partners.

The accent, it says, should lie on savings in a whole series of sections—not least on personnel in the public service. The council sees tax increases only as a last resort, noting for example the boost to prices which an increase in VAT would bring.

The Ministry is not bound to accept these guidelines. But already the Government is finding increasing difficulties with no solution to date—namely borrowing Federal, regional and local authorities still need to borrow another DM25bn. by year's end, and this is likely to be one of the main problems discussed at the Bundesbank council meeting next Thursday. For 1976 the problem appears more difficult still.

New Zealand dollar devalued by 15%

WELLINGTON, August 10.

THE NEW Zealand Government today announced a 15 per cent. currency devaluation which Prime Minister Wallace Rowling said was not imposed by outside influences.

Mr. Rowling said the New Zealand dollar would be allowed to float finding its own value within certain limits in relation to the currencies of a group of the country's main trading partners. The New Zealand dollar will now be worth about half the same as the U.S. dollar, and once again will be worth about half the value of the pound sterling.

The new rates of exchange with the Australian dollar will not be available until Australia has established its rate with the U.S. dollar this week.

Mr. Rowling said a charge by opposition leader Robert Muldoon that the devaluation was due to international monetary Fund pressure could not have been further from the truth. He said the alternatives to devaluation were harsh import controls and unemployment.

The Australian Government had not been consulted about the move but had been told of the decision on Friday night, Mr. Rowling added.

Keneth Randall reports from Canberra: New Zealand's 15 per cent. devaluation poses acute problems for the Australian Government but there was no indication to-night of imminent action to forestall suit. New Zealand, Australia's biggest market for manufactures and the rural industries of the two countries compete strongly in a number of markets.

Rural industry spokesmen, especially those representing beef producers, have unanimously demanded compensating action by Australia, especially in view of what they regard as existing "unfair" subsidisation of New Zealand agricultural products.

However, the Minister for Agriculture, Senator Wriedt, who is also acting Minister for Overseas Trade, said to-night that the full effect of New Zealand's devaluation on Australian export trade was impossible to gauge yet he expected little effect on the flow of Australian products over the last 18 months, added to the weakness New Zealand trade

John Cherrington writes: The devaluation of the New Zealand pound sterling was 0.5833. The notional value to-morrow would have been 0.5833 but to-morrow's actual value will be 0.5040.

Reuter Cherrington writes: The devaluation of the New Zealand pound sterling was 0.5833. The notional value to-morrow would have been 0.5833 but to-morrow's actual value will be 0.5040.

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SECURITY PACIFIC NATIONAL BANK

RESOURCES

Cash and Due from Banks	\$ 2,554,878,208
Investment Securities	
U.S. Treasury Securities	586,023,379
Securities of Other U.S. Government Agencies and Corporations	481,909,678
State & Municipal Obligations	815,585,992
Other Securities	54,984,513
Trading Account Securities	55,441,844
Total Securities	\$ 1,993,945,406
Federal Funds Sold	148,370,500
Loans	8,674,858,297
Direct Lease Financing	278,427,454
Bank Premises and Equipment	343,165,425
Customers' Acceptance Liability	206,461,346
Earned Interest Receivable	125,197,434
Other Assets	101,497,494
TOTAL RESOURCES	\$14,426,801,564

LIABILITIES

Domestic Demand Deposits	\$ 3,900,493,765
Domestic Savings Deposits	2,022,464,685
Domestic Time Deposits	3,989,395,370
Foreign Deposits	1,723,947,702
Total Deposits	\$11,636,301,522
Borrowed Money	1,384,600,917
Acceptances Outstanding	208,531,640
Accrued Interest, Taxes and Other Expenses	185,611,441
Interest Collected - Unearned	138,862,919
Other Liabilities	21,428,286
Total Liabilities	\$13,575,336,725

RESERVES

Reserve for Possible Loan Losses	\$ 158,324,503
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CAPITAL ACCOUNTS

Capital Stock	\$ 274,519,800
Surplus	275,480,200
Undivided Profits	143,140,336
Total Capital Accounts	\$ 693,140,336

TOTAL LIABILITIES, RESERVES & CAPITAL ACCOUNTS **\$14,426,801,564**

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NEW ISSUE

All of these securities have been sold. This announcement appears as a matter of record only.

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 Kuwait Foreign Trading, Contracting & Investment Co. s.a.k. Lazard Brothers & Co. Manufacturers Hanover
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A new incomes policy, operated for probably a generation, must be introduced when the present pay limits end, argues Douglas Jay, MP

We need an impartial umpire

WHAT SORT of long-term upward prices spiral of early 1975. Less acceptable to some, at first sight, is this comprehensive emergency plan expires next August? This is the issue which really matters—far more than the comparatively minor question of what sort of statutory powers may prove necessary to hold the line in a free economy, pay rates must change over time. Unless rates rise relatively to heavy unemployment but also to nil growth and disastrously low investment for some years. Neither alternative is very inviting.

There is widespread support for the view that direct controls will be needed as well as monetary restraint if we are to avoid an intolerable and perhaps accelerating all-round rise in prices and fall in the value of money. The only alternatives are either to continue the last six months' rake's progress, which would probably lead to South American-style inflation, or to impose ruthless budgetary and monetary restraint without incomes control. And this second alternative, on all the evidence, would lead not merely to heavy unemployment but also to nil growth and disastrously low investment for some years. Neither alternative is very inviting.

Truth

What has perhaps been not so generally realised, or at least admitted, is that the dilemma is far from short-term but is likely to prevail in this country at any rate and probably many others, for the foreseeable future. It would be a great gain if everyone concerned could now accept the truth that a new incomes policy has got to be devised and operated for probably a generation, just as explicitly as full employment was embraced as the long-term objective in 1944-45. For we now know that one requires the other. Without any policy, the dilemma would be just the same in August 1976 as in August 1975; and if we merely give in and open the sluice gates then, we shall in a few months be back in a few months to the 20 per cent. or 30 per cent. violently jerked. It must

operate within the limits of public opinion will not support the grant of such powers. But experience has not yet proved this dilemma to be absolute. What the last two years have shown is that a voluntary policy without an umpire and without a strict monetary regime does not work. It has not yet been proved that a voluntary policy with a really respected umpire and strict monetary control cannot work.

Abolished

The Labour Government's Prices and Incomes Board of the late 1960s and the Conservatives' Pay Board of 1973 did not fail. They were both abolished by an incoming government—a sad example of party government at its worst. The PIB had in fact by 1970 built up an impressive record for thoroughness and impartiality, and its judgments were coming to be ever more widely accepted.

A new authority set up next year as a permanent institution would enjoy at least three advantages over the old PIB. First, it would be expected to last. Second, the public has learnt from bitter experience in 1975 the realities of accelerating inflation. And third, some basic legal powers have been granted by Parliament to the present Government, which could be strengthened if further experience showed this to be needed.

Naturally, this sort of solution, however carefully the details are worked out, could not guarantee success. But it is not impracticable—it is the best chance we have; and the stakes are high. There can, of course, be no certainty that some group will not some day strike against the umpire's decision. But at least the maximum pressure of public opinion would be mobilised against such a strike's being called, and there would be the minimum of public support for it if it were.

Last resort

Such an authority would be a tribunal of last resort. Its existence would not necessarily mean the abolition of the best of existing "review bodies" though the Board would have the power to over-ride their awards. It is essential that the whole employed population should come within its jurisdiction, from just and top civil servants to the lowest paid manual workers. The board should then scrutinise an individual claim not just on its alleged individual "merits" but in the light of all the others coming forward and of the economic realities of the moment. One of our besetting troubles in the last few years has been the plethora of separate review bodies, each of which becomes an unconscious advocate of its own vested interest. Hence for instance the recent provocative award to highly paid civil servants. Cynics will, of course, argue that no such system can work without statutory powers to

Creaking

Total rigidity cannot, for this reason, be enforced for longer than, say, 12 months. After nine months, I suspect, the machine will be creaking at the joints. But this just gives us time to prepare a workable long-term policy and set it in motion by the date when the 56-a-week dam bursts. If such a policy is to succeed, it must allow some incomes to rise without the average exceeding a reasonable norm. It must weigh the argument for industrial change against the argument for equity. It must allow differentials and comparability back in a few months to the 20 per cent. or 30 per cent. violently jerked. It must

GOLF: U.S. PGA

BY BEN WRIGHT

Nicklaus leads with magic round

AKRON, Ohio, Aug. 10.

JACK NICKLAUS' daunting 16th, slumped to a 75 after his psychological power over even second round record of 69, and his most experienced rivals was instead of being four shots ahead, never demonstrated more clearly of Nicklaus, as he was yesterday than in yesterday's third round morning, he is now four behind of the 57th U.S. PGA Champion in second place.

While all around him moved behind Crampton, played re-determinedly backwards, respectively for his third round flounder in his wake, Nicklaus score of 73, but one bad hole, put together a three under par the sixth, cost him seven shots, round of 67 to spread eagle the and he now is in third place at 56 at five under par 205, his level, par 210, five behind previous rounds having been 70 and 68.

Of those also favourably placed at the half-way stage, Mark Hayes still seeking his first major title (75), Bob Wynne (80), John as Nicklaus bids to-day for his Schlee (75), Al Gelberger (80),

Leyland deal with Korea attacked as 'madness'

BRITISH LEYLAND'S decision to supply equipment and highly skilled technicians to a new Korean company of motor manufacturers who may become competitors was denounced yesterday by Mr. Douglas Hoyle, Labour MP for Nelson and Colne, as an act of "sheer suicidal madness."

In a Commons written reply last week, Mr. Gregor Mackenzie, Minister of State, Industry, told MPs: "British Leyland has no financial interest in Hyundai Motors. British Leyland, in common with a number of other British manufacturers, is supplying equipment to them."

"Any unwillingness to supply on the part of the United Kingdom companies would merely be to the advantage of manufacturers in other countries."

But Mr. Hoyle has now written to Mr. Eric Varley, Secretary for Industry, urging him to investigate this to get rid of the people on the Board who are responsible.

Mr. Hoyle said: "The logic of this escapes me. British Leyland quite rightly, have complained about the flood of Japanese cars coming into this country with the threat which that entails to British jobs."

"Yet in the next breath from the Government we hear that they are actually materially helping to supply jigs, dies and fixtures to another potential competitor in the Far East. Not

Mr. G. J. Stewart, founder of Stewart Smith insurance group (now merged into Stewart Wrightson) left gross estate in England and Wales of £713,745. Mr. Stewart was resident in New York.

Sir Ralph Hawtrey, a former Price-Professor of International Finance at Chatham House, and a former president of the Royal Economic Society, left £43,200 gross.

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Amalgamated Metal Corporation Limited

Interim Statement for the six months ended 30th June 1975

Audited results for year 1974 (Restated)	Group turnover	Unaudited six months to 30th June 1975	Group turnover
£'000		1975	1974
753,000		£'000	£'000
12,097	Group profit before taxation	2,770	7,070
5,485	Taxation	1,480	3,100
888	Minority interests	370	400
6,353		1,850	3,500
5,744	Profit before extraordinary items	920	3,570
(898)	Extraordinary items	490	(100)
4,846	Net profit after tax	1,410	3,470
	Earnings in pence per £1 ordinary share		
89-6p	Before extraordinary items	13-7p	55-3p
75-3p	After extraordinary items	21-5p	54-3p

The merger between Amalgamated Metal Corporation Limited and Consolidated Tin Smelters Limited became effective on 25th July 1975. The results reported above reflect the new corporate organisation. The comparative figures for 1974 are restated on a comparable basis.

The following are extracts from the interim statement released on 8th August 1975:

- The level of trading and profit margins have been affected by slow-down in industrial activity which has now been in progress for some months. Bearing in mind these conditions, the Group profit before taxation of £2,770,000, is reasonably satisfactory, the comparable figure for 1973 would have been £2,038,000.
- The extraordinary profit represents differences on assets held abroad, less the estimated merger expenses of £125,000.
- The Directors have declared an interim dividend of 4p per ordinary share in respect of the year ending 31st December 1975.

Amalgamated Metal Corporation Limited, 2 Metal Exchange Buildings, Leadenhall Avenue, London EC3V 1LD

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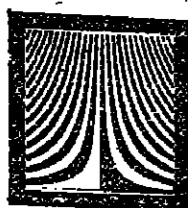
Authorised Share Capital
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The Council of The Stock Exchange has admitted to the Official List all the Ordinary Shares of 50p each issued pursuant to a Scheme of Arrangement dated 18th June, 1975 which became operative on 11th August, 1975 and whereby the Company acquired the entire issued share capital of British Leyland Motor Corporation Limited. Particulars relating to the Company are available in the Extel and Moodies Statistical Services and copies of these particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excluded) up to and including 3rd October, 1975 from:—

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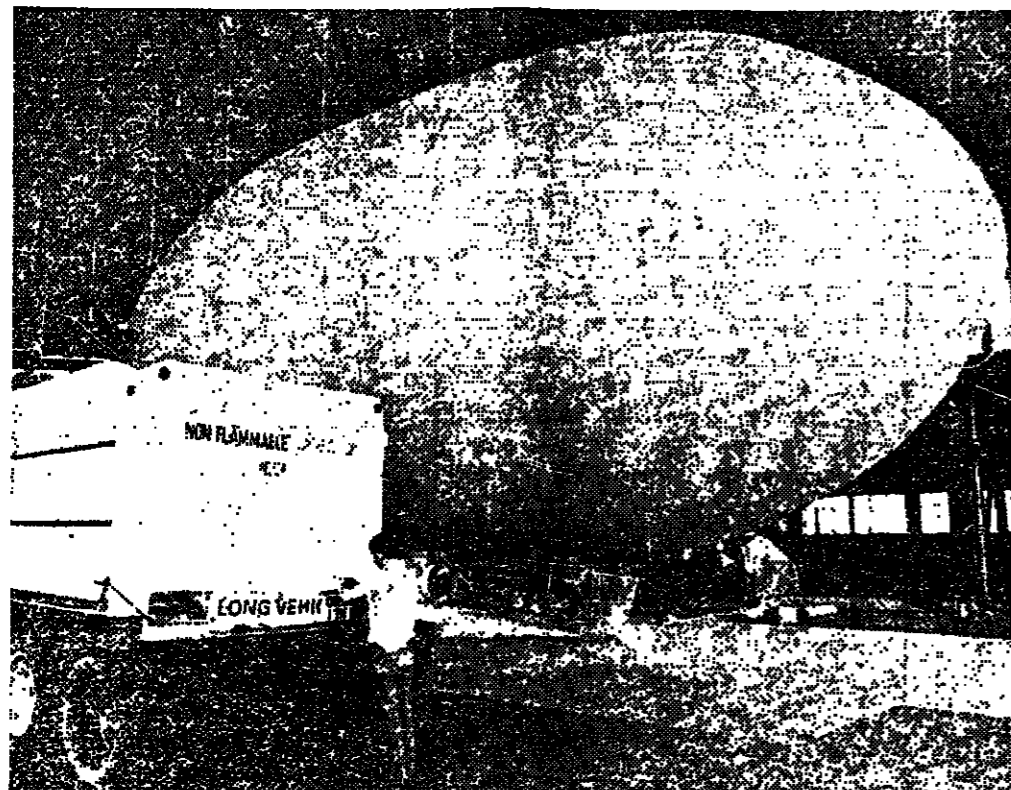


The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RESEARCH

Small airship for survey work



Santos Dumont being filled with helium in the old RI01 hangar at Cardington.

BRITAIN'S first airship for top speed of 30 knots (34 mph), decades and the first to use helium is being extensively tested at RAE Cardington, Beds. Santos Dumont is the name of the aircraft which is 72 feet aerobically, photography or long. The purpose of the airship is to show the capabilities of such a craft in such applications as aerial surveys, film-making and animal observation. When flight trials have been completed in England, the airship will be taken to Brazil, to be used in the examination of the Amazon forest canopy. Santos Dumont has been designed and built by a team including Anthony Smith, Jasper Tomlinson and Giles Camplin. gondola are detachable so that all three have been involved in the envelope may be bedded lighter-than-air transport for a pre-manned years. Anthony Smith is an author and broadcaster, and founded the British Balloon and Airship Club after flying a balloon over Africa. Unlike an aeroplane or helicopter, the airship can fly at very low speeds, hover or drift silently. And even at its

development of other airships. In the past it has been hindered by the necessity of using hydrogen as a lifting-gas, rather than helium.

Refining agreement

FOR SOME years the National Institute for Metallurgy, South Africa, has been conducting research into the processing of the platinum group metals. Impala Platinum has now signed an agreement to investigate the feasibility of refining the company's rhodium, ruthenium and iridium by the NIM process. Pilot scale studies will be conducted with a view to installing an additional plant at the Springs Refinery, near Johannesburg, which would use the NIM process and, it is hoped, appreciably shorten the in-plant lock-up of these metals.

FINISHING

Better barrel polisher

BARRELLING UNIT and separating unit are all in one basic package which can be mounted on a portable stand in the improved range of Vancor barrel finishers introduced by Acro-Vu, 29, Burners Lane, Kiln Farm Industrial Estate, Milton Keynes, Bucks., MK11 3BU (0908 315040). Deburring, polishing or descaling of components is carried out in the usual way, but to empty the barrel, the lid is removed and the barrel rotated until the contents fall into a sloping trough which leads to the washer and separator. A mesh tray (mesh size can be varied) separates the load from the effluent which is discharged through a drain. Electrically driven, there is a choice of three barrel speeds. The barrel has a resilient jointless lining. Potential users are invited to send a sample component to the company to see whether barrel deburring or polishing is suitable for their products.

Corrosion proof wash line

DEVELOPED for the post-treatment of plated components in the electronics and electrical industries, the S. G. Owen Group's washing and drying lines may be used for components in other industries. The unit comprises a load section, spray wash, oscillating air knife, stainless steel covered electric drying unit, and unload section. Particular attention has been paid to corrosion prevention. The steel frames are metal sprayed, sealed, and coated with polyurethane paint. Fibre glass moulded drip trays are used. Components are transported through the unit on an open variable speed belt 0.81 metres wide. Maximum overall length of the unit is 3.9 metres. The maker is at Ryehill Close, Lodge Farm Industrial Estate, Marlestone Road, Northampton NN9 7US (0604 54221).

ELECTRONICS

Accurate spark erosion

NEWLY DESIGNED spark erosion equipment is being built in two standard sizes, and special sizes on request, by N.E. Eroda Machinery, Low Mills, Ravens Thorpe, near Dewsbury, West Yorkshire WF13 3LX. Features developed in both the machine and the generator represent a significant step forward in spark erosion technology, the company believes.

Exceptionally low rate of wear of the electrode, confined almost entirely to the electrode working face, with only minimal wear at the sides, is claimed. As a result, the electrode will usually serve throughout an entire job, whereas two or more might normally be required. The cavities being produced will be extremely accurate, even where they have a sloping bottom. Features of the mechanical structure include, for example, the use of twin precision rods and ball-cage bushings for all guideways, to give virtually frictionless operation and very precise tracking. Total positioning accuracy is guaranteed to 0.0004 inches, and actual working accuracy is within 0.0001 inches. The generator is built up almost entirely from integrated circuit modules. It incorporates a mini-computer which constantly monitors conditions at the spark gap, and there is an Auto-Trim system which automatically maintains generator balance and so relieves the operator of much of the onus for making adjustments as erosion proceeds. The various controls and switches have been designed for maximum ease and simplicity, and recognised international symbols are used to indicate their functions. Multiple electrode facilities enable multiple electrode set-ups to be arranged when required. Eroda is at Mirfield 494608.

DATA PROCESSING

CAP forms a new company

CAP U.K. has agreed to a proposal from a group of former CAP Europe product sales staff to form a new holding company to co-ordinate the marketing and maintenance of software products in Western Europe and the Middle East. On the continent of Europe this company will operate under the name of Computer Automated Products in order to avoid confusion in name with the activities of CAP Europe. It was the recent change in ownership of CAP Europe which prompted this proposal by the staff. The initial list of products to be handled by the new organisation will be those of Applied Systems, including Auto-flow, Librarian, MetaCobol, Roscoe and SAM—all of which are currently being enhanced. These products will be marketed in Austria, Belgium, The Netherlands, Spain, Switzerland and West Germany from October 7, 1975. This will also apply to certain Middle East countries. Final contracts to this effect are expected to be signed with ADR shortly. Discussions will then be held between DR, CAP Europe and the new company over the orderly transfer of maintenance for relevant client installations. In the meantime CAP U.K. will continue to provide support to product clients of CAP Europe as previously.

The first full year's turnover of Computer Automated Products is expected to be at least £800,000. The initial staff of the company will be six senior salesmen, together with other sales and support staff from the continent plus management and maintenance staff from CAP U.K. The holding company will follow the pattern set by CAP U.K. in terms of staff shareholding and participation of seniors in a management meeting. Thus the sharp difference in management philosophy which caused the break with Soged, run virtually by one man.

PLANT & MACHINERY SALES

Description	Price	Telephone
Case 580B Loader Excavator, worked under 400 hours, in as new condition	Price £4,650	Ninfield (0424) 892386
Nu-Way HG.300 Heater	£2,000 o.n.o.	01-253 6000
Reconditioned Modern Rolling Mills, Wire Drawing Plant, Slitting, Levelling, Cut-to-Length Equipment, Furnace and extrusion facilities	P.O.A.	021-556 0904
Wanted Used Storage Tanks surplus to requirements	P.O.A.	0742-26622
1973 Newall SA Cylindrical Grinders—High Speed, 12" x 36" Angle Head, Plunge up to 10" wide with copy. Completely equipped	From £15,000	02092-4357
Rubber Processing Plant, Mixers, Mills, Calenders, etc.	P.O.A.	061-339 2560
N.C. Flexowriters for Punching N.C. Programme Tapes—Rebuilt with 2 year Guarantee—Save up to 50%	Prices from £895-£1,350	Dudley (0384) 57453
Bigwood 16" x 0.049". Cut to length and Forming Line	P.O.A.	0742-2631 Ext. 256 Telex 54119
B & W V.1000—Water Cooled 1000 cfm Air Compressor	£6,250 +VAT	as above
Ingersoll Rand XLE2 Water Cooled 1000 cfm Air Compressor	P.O.A.	as above
Hayes Tracemaster Model TMA/D 2 spindle Auto Die Sinker	£6,500 +VAT	as above
Camco Europa 31/D Folding Machine with autofeed continuous load feeders and batch counter	P.O.A.	031 556 9151 Ext. 513
Continuous mixing plants by Gardner with pneumatic weigher by Darench. Feed screw conveyors. Output up to 25 tonnes per hour. Console controlled by single operator New 1971	P.O.A.	06284-71555 Telex: 923969
Plastic or rubber Vickers Transformix E150, new 1971, complete with 250 hp Thyristor drives (4 off)	£15,000 each	06284 71555 Telex: 923969
Fork Lifts Fully Renewed, large selection, 6 months warranty	P.O.A.	01-572 3451

IF YOU HAVE PLANT AND MACHINERY SURPLUS TO YOUR REQUIREMENTS, AND WOULD LIKE TO ADVERTISE IN THIS COLUMN, PLEASE TELEPHONE MR. FRANCIS PHILLIPS ON 01-226 0108.

Copy miller has uprated output

INTRODUCTION of adaptive control and other refinements have improved the capabilities of a multi-spindle copy-milling machine to the extent that the new version has output rates better by 30 to 50 per cent. than the original model.

An electronic tracer head permits angles up to 90 deg. to be copied using very light and constant stylus roller pressures. Electro-servo valves are fitted on all the axis drives, giving increased drive stiffness and faster response. The maker, Rigid, of Rorschacherberg, Switzerland, says that these features produce high feedrates as well as high accuracy. The company quotes as an example the use of the machine to mill four turbine blades at a time, of highly twisted form. Stock removal amounts to a 5 mm thick disc along the length of the blade is 1.5 mm per revolution. Previous production time was 183 minutes, compared with 117 minutes—an increase in output of 56 per cent.

know what they are working for—and many employers have neither the time nor the staff to tell them. However, there is an organisation which provides an information service based on computer techniques which will tell each company employee in simple terms, yet fully, just what social security/benefit schemes are being applied, however large the company.

The benefits picture to-day is complicated by inflation and threshold payments, staff health arrangements and so on. An employer frequently pays some 30 per cent. above nominal salaries for various aspects of perquisites and benefits and it often needs an expert to make a clear presentation of all the factors involved even with a computer at his elbow.

The service can be provided on a continuous basis and, indeed, some users apply it as a matter of course to audit pension funds. It is understood to be the only one of its type in Britain.

A&A Benefits (UK), Aldwych House, Aldwych, London WC2B 4HH (01-242 0851).

TRANSPORT

Interchange truck body system

FOLLOWING THE introduction of its guide rail system three years ago, Ray Smith Demountables, 15 West End Road, Maccay, Peterborough PE6 3EY (0778 343081) has developed a straight lift design which the company claims rationalises demountable truck bodies to these two basic types. It says that with the two systems now available, fleet operators have designs which are interchangeable with systems such as Abel, Dobson, Freight, Bonallack, Freightlites, Ackermann, de Jong, Deckers, Pengo and Rowley. This provides the operator with a second source of supply for most of the current demountable systems, and makes the position more competitive, states the company. With the straight lift system there are two pairs of hydraulic raising lifting bridges near each end of the body, instead of the single chassis bridge fitted in the guide rail system. They can be operated individually or together depending on which other system is already in use. The same method of centering the body on the chassis when it is lowered is used. Preferred body hold-down method is twist-locks, but others can be used.

System flexibility is said to be ensured by the use of a plug-in module to connect the component being tested to the tester. This module carries a test socket and contains any net-couplers (such as frequency compensation) which may be needed for the correct operation of the device under test. A range of modules is available including expanded modules for 24, 28 and 36 pin packages.

Concentrations from 0.02 to 20 ppm are covered, and measurements may be made in a few minutes—operation can be by relatively unskilled staff. The top and bottom of the selected range are standardised with solutions of known cyanide concentration and readings are taken from the unknown samples.

Both instruments are being marketed by Theta, PO Box 10, Martock, Somerset TA12 6LT (05852 3745).

NORGREN
put
engineering
into your
Pneumatic
Equipment

C.A. Norgren Ltd.
Shipton-on-Stour Warwickshire
Tel: Shipton-on-Stour 61676
(STD Code 0608)

SERVICES

Cuts payroll costs

A NUMBER of Lowndes-Ajax payroll service customers are benefiting from Lowndes-Ajax's use, on their behalf, of the Bankers Automated Clearing Service. Ten of the clearing banks are the sponsors of BACS, which is an alternative to the traditional credit transfer system.

The new system requires that Lowndes-Ajax, instead of producing credit transfers, record the same details on a magnetic tape which is sent to the BACS Computer Centre.

The processing cycle of data processed by BACS is 3 working days—the tape received by BACS on day 1, and the debits and credits posted on day 3. Since the credit (to the employee) continues to be made on day 3, as with credit transfer, but the debit (to the company) is now also made on day 3 instead of day 1, this provides at least 2 days' credit over normal credit transfers.

Assuming that an employee is paid £250 per month net, and with the interest rate at 12 per cent., these two days' credit are worth 18p, which is more than the cost, to the employer, of processing the payroll with Lowndes-Ajax.

In addition to saving the cost of the services, the user also saves the cost of credit transfer stationery, and the general paper work is reduced. This service is also offered by Lowndes-Ajax Basildon and Liverpool Computer Centres.

Further details from Weir Larsen, Lowndes-Ajax Computer Service, Philip House, Lansdowne Road, Croydon CR9 2XG. (01-681 2698).

INSTRUMENTS

Amplifiers on test

A SEMI-AUTOMATIC system for measuring the characteristics of dc operational amplifiers has been developed. It will check the bias current, offset voltage, offset current, supply current and transfer function of the device under test, with a minimum of operator adjustments. It is said to be suitable for laboratory work, quality assurance tests, and for production limit testing.

The instrument, which may be powered from 110 or 240 volt mains, does not include its own display and should be used with a dc coupled oscilloscope. System flexibility is said to be ensured by the use of a plug-in module to connect the component being tested to the tester. This module carries a test socket and contains any net-couplers (such as frequency compensation) which may be needed for the correct operation of the device under test. A range of modules is available including expanded modules for 24, 28 and 36 pin packages.

Concentrations from 0.02 to 20 ppm are covered, and measurements may be made in a few minutes—operation can be by relatively unskilled staff. The top and bottom of the selected range are standardised with solutions of known cyanide concentration and readings are taken from the unknown samples.

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CONTRACTS AND TENDERS

Afghanistan Highway Maintenance Programme—Stage II
International Tender for Supply of Highway Maintenance Equipment to the Ministry of Public Works, Afghanistan.

NOTICE OF INVITATION TO TENDER

The Republic of Afghanistan has received a Credit of US \$ 11.5 million dollars from the International Development Association (I.D.A.) towards the cost of the Afghanistan Highway Maintenance Programme Stage II and it is intended that the process of this credit will be applied to payments in various currencies under the contract for which this invitation to bid is issued.

In this connection the Ministry of Public Works of the Republic of Afghanistan is calling for international tender for the supply of the following types of equipment and materials:

Dump trucks, Mobile workshop trucks, Bitumen Distributor trucks, etc.
Tractors with and without low bed trailers, 4.5 ton trailers (jeeps and small cars)
Loaders, Bulldozers, Graders, Rollers, Cranes
Agriculture type tractors
Pumps, Concrete Mixers, Asphalt finisher, Compressors
Traffic Line Markers, Generators
Snow Blowers
Crushing Plant and Chipping Spreader
Mechanical Workshop Equipment
Engine Power Units
Lubricants
Tyres, Batteries and Spare Parts
Bitumen and Asphalt
Steel
Explosives
Road Surface Marking Materials

The Ministry of Public Works of Afghanistan herewith invites all interested parties that have adequate experience in the manufacture of such equipment and materials to submit their formal request to obtain the bid documents not later than the 30th August, 1975, from the following address:

Off-shore Procurement,
Road Construction and Maintenance Department,
Ministry of Public Works, P.O. Box 577,
Kabul, Afghanistan

The bid documents will be available to interested parties. Only goods produced in and supplied by the firms from the member countries of the International Bank for Re-construction and Development and (Switzerland) are eligible for this tender. Only manufacturers of equipment and their approved representatives may submit tenders. All Communications should be in English.

Eng. A. H. Kazi
President RCMD

INVITATION FOR BIDS

Sealed bids for following equipment will be received by Equipment and Supply Division of State Hydraulic Works (DSI) of Turkey.

No.	Description	Bid Deadline and hour
75-30T-16	Crawler Type Tractor—Angledozer (25 each)	September 1, 1975—02.00
75-30T-18	Crawler Mounted Drag-line Excavators 1. 1/2 Cu. Yd. (12 each)	September 2, 1975—02.00
75-30T-29	Crawler Mounted Drag-line Excavators 1 Cu. Yd. (6 each)	September 3, 1975—02.00
75-30T-31	Station Wagons, 4WD, 8 persons (3 each)	September 4, 1975—02.00

1—The offers can be submitted only from the member countries of "INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT" and "INTERNATIONAL DEVELOPMENT ASSOCIATION" and from Switzerland.

2—BID FORMS may be obtained from "DSI GENEL MÜDÜRLÜĞÜ" Makina ve İkmal Dairesi Başkanlığı, Yücepete ANKARA—TURKEY in return for a cheque in the amount of \$7.00.

LIBYAN ARAB REPUBLIC

LIBYAN ELECTRICITY CORPORATION

Invitation for submitting Bids for Installing Tripoli East Steam Power Station to be integrated with Existing 220KV system.

Tenders are invited by the Libyan Electricity Corporation to submit their bids for supply, erection, construction and handing over in a perfect complete working order of a turbo-key steam power station and desalination plant all namely Tripoli East Power Station, the site of which overlooking the sea at a place approximately 125 kilometres East of Tripoli City and approximately 5K.m. east of the ancient ruins of Leptis—Khoms Governorate.

The project shall mainly comprise the following:

1. 4—120MW steam turbogenerator units and annexes to be integrated into the existing 220KV system of the Libyan Electricity Corporation Tripoli Branch.
2. 4—10000M³ per day each, desalination units of the flash evaporator type complete with all relevant annexes.

The tender specification and drawings shall be available for sale at the Tenders and Contracts Division of Libyan Electricity Corporation, Haleb Street No. 1 Tripoli P.O. Box 688 as from Saturday June 14th, 1975 through all official working day at office hours.

The price of the one copy of tender specifications, which is to be filled in and submitted with the other required photostatted copies, in closed sealed envelopes, by word-bid tenders, is L.D. 200/- (Two hundred Libyan Dinars).

The last date fixed for handing tender offers complete with documents in closed sealed envelope is 11 a.m. Monday December First 1975.

The tender envelopes shall be opened and prices read publicly 12.00 noon same day in the presence of tenderers delegates who are not to be more than three persons per tenderer.

If the tender opening date happens to fall on a public holiday then the tender opening procedures shall be postponed until the first next working day, same time schedule.

Any offer not accompanied by specified tender guarantee of L.D. 100,000/- (One hundred thousand Libyan Dinars), shall be ignored.

Tenderers entitled for tendering are only the following:

- a. Local tenderers enlisted as Contractors grade(1).
- b. Foreign tenderers enlisted as first grade International Contracting Firms in the Ministry of Housing. All should give enough evidence of this before buying specification documents.

Tenders & Contracts Dept.
Electricity Corporation Tripoli/Libya
P.O. Box 688 TRIPOLI

THE CHAIRMAN MALTA ELECTRICITY BOARD

invites offers up to 9th September 1975 for the supply of one or two reconditioned second hand turbo-alternator plants with capacity within the range of 30-60 megawatts 3 phase 50 hz suitable for operation on steam at 600 psig and 850 per cent E. The plants are to be complete with all auxiliaries and be in a good state and condition to give reliable performance in power station service.

Tender documents giving technical requirements of the plants are available from the Malta High Commission in London, Malta House, 24 Maymarket, London SW1Y 4DJ or from the Secretary, Malta Electricity Board, Church Wharf, Marsa, PO Box 6 Hamrun, Malta.

Telephone No: Malta 23601, London 930 9851
Malta Telex: 62089 62099 62142 61231
Cable Address: Electricity Malta

مكتبة



Building and Civil Engineering

Over £7m. work for Wimpey

FOUR contracts worth over £7m. have been awarded to Wimpey, a subsidiary of the City of Glasgow District Council, for the construction of 174 houses and a shop at Fairly Lane, Cheetam. This job is due to start on August 11.

Next down the scale is a £1.7m. award from the City of Manchester Corporation for the construction of 174 houses and a shop at Fairly Lane, Cheetam. This job is due to start on August 11.

At the Bristol Steel Corporation's, Clifton, a £1.2m. contract has been awarded to build a welfare and safety centre at a cost of £369,000, while very much further afield, in Canada, the company's Toronto office is to undertake a £1.2m. worth of contracts in connection with local housing developments by Freure Homes, Stratford (£414,000), Ralston Developments, Port Dover (£198,000) and City of Guelph (£281,000).

Council to have £2.8m. offices

HIGGS AND HILL building has been awarded a contract, valued at over £2.8m. for the construction of council offices at Brixton Hill, S.W.2, the London Borough of Lambeth.

A four-storey office building is to be built with basement garage facilities. The substructure will consist of cast-in-situ bored piles with reinforced concrete pile caps, ground beams, floor slab and retaining walls. The superstructure will have a reinforced concrete frame with solid suspended slabs.

External cladding and finishes to the building will include red facing brickwork and teak window frames. The ground floor and screens at ground floor level being in either bronze or hardwood.

The architect is Edward Hollamby and consulting engineers (structure) are Ove Arup and Partners.

Zip-Rib makes its debut

AS PART of what is believed to be the largest insulation contract ever placed in Europe, Kitson's Tectonic (a member of the Pilkington group) will use the Zip-Rib insulation system on heated fuel storage tanks.

The £900,000 contract is for tank insulation and offset work in the jetty area of the Seal Sands (Teesside) Project of the Phillips Norway group. Work commences this month.

Managing contractor is Simchem, a subsidiary of Simon-Carmes. Although this application for storage tank insulation is new in the U.K., the Zip-Rib system has been widely used in the U.S.

It consists of a series of roll-formed pre-insulated aluminium panels 300 mm. wide and up to 12.5 metres long which are attached to the tank by a series of clips, the number and posi-

Trollope and Colls to refurbish

UNDER a contract worth about £44m. Trollope and Colls is to refurbish and alter considerably the seven-storey building at 5-14 St. Paul's Churchyard, London, EC4—opposite the Cathedral—to provide office and showroom accommodation.

The work is to be carried out for the Church Commissioners for England. Architects are Fitzroy Robinson and Partners with John F. Farquharson and Partners as consulting engineers. Work has begun and is scheduled to be completed by October 1977.

Work on the building, which will have two basements, will

Sewerage scheme

West Lancashire District Council, as agents for the North West Water Authority, has awarded a contract valued at £562,000 to Wrenco (Contractors), for a sewerage scheme at Banks, near Southport, Consulting engineers are Ward, Ashcroft and Parkman.

When completed, all areas of Banks will be connected to the main sewerage system. A pumping station will discharge flows to the nearby Bank End sewage treatment works, and the existing small works at Banks will be phased out.

Water watch simplified

THIS ORIGINAL WJ effluent sampler on which the Warren Jones Engineering company was founded three years has now been extended into a range of units and accessories. The result is a permutation of equipment to solve many of the problems associated with taking correct averaged samples of effluent in drains, sewers and rivers and even in small-bore drains.

The new model WJ40 can be supplied with a variable restrictor with a tapered needle to vary the restriction of the air vent orifice over a range of 80 to 1. The needle position is set by the user according to the required sampling rate at any given depth of immersion. There are now three interchangeable samplers for the installation of

Inflatable dam will hold back the sea

PIRELLI reports unqualified success with the test version of its inflatable rubberised nylon dam system over six months of trials on Italy's Adriatic coast. The company is fully convinced that the dam can save Venice from annual floods—faster, cheaper and with greater operational flexibility than steel and concrete dams.

Cost of the Pirelli system and its installation is, at current prices, likely to be several times cheaper than conventional dams and construction and installation is expected to take about two years instead of four to five years for steel and concrete structures.

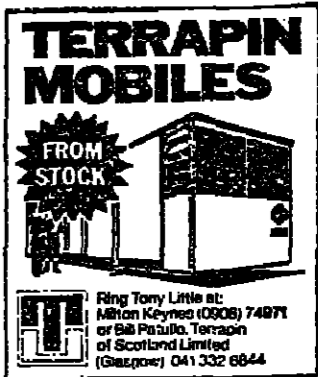
Unlike conventional dams, the Pirelli system—developed with the Italian construction firm Furlanis—will allow the tide to safely continue to scour the city's waterways and provide uninterrupted passage of shipping in and out of the Venetian lagoon.

Tests have proved that this design can give a more effective, flexible, cheaper and quick-to-install means of harnessing and controlling water for agricultural, industrial and other purposes.

Having completed its operational trials the mini dam will remain at its test location across the channel mouth linking the Adriatic with the Bonello Bacucco Lagoon on Italy's exposed Po Delta until the end of September.

It will be used for demonstration to Italian Government Ministers and officials, the Venice civic authority, civil and hydro engineers from countries throughout the world.

Over 200 feet long and made of rubberised nylon half-an-inch thick, the mini dam, when not in use, lies submerged and pinioned to the seabed by specially developed clamps, and cables and steel pillars which are driven

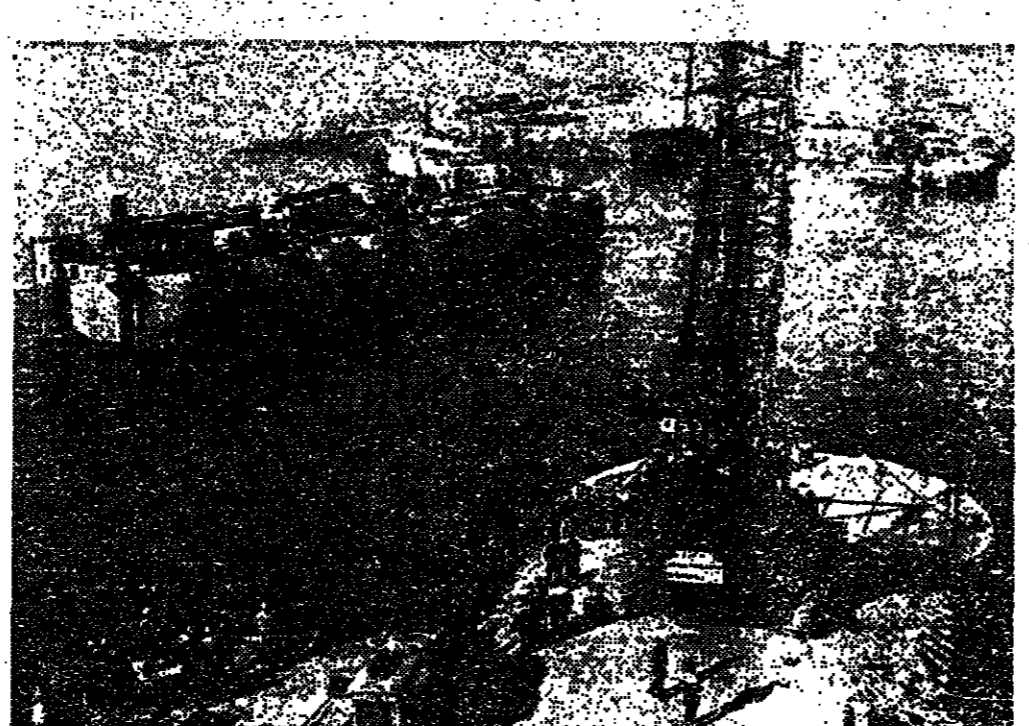


almost 20 foot into the channel bottom.

When required to repel the heavy seas that pound the Bonello Bacucco Lagoon—selected for its similarity to severe sea and wind conditions affecting Venice—the dam is inflated with water at over 630 gallons per second.

It then rises above sea level sufficiently to bar the heavy seas and strong currents, maintaining a constant water level in the lagoon. Under these conditions, the lagoon's water level is maintained at up to 24 feet 4 inches lower than that of the Adriatic.

Pirelli, Thavies Inn House, 3/A, Holborn Circus, London EC1N 2QA. 01-353-5102.



A 4,500 tonne concrete dock gate being towed away to allow an oil platform structure to be floated out from the Graythorpe dry dock near Hartlepool. Two of these gates are used to seal off the

122 metres wide 13 metres deep entrance to the dock. The gates were designed by and built for Laing Offshore and they cost about £2m. Each gate has 18 cells which are filled with water for stability.

Durnell takes £31m.

OVER THE past six weeks or so, R. Durnell and Sons, of Brasted, Kent and Reading, has been notified of awards to a grand total of over £31m. The greatest of these involves £750,000 worth of unspecified work for the Department of the Environment at Fort Halstead.

There are two sports complexes on the list. One involves a swimming pool and is for the Borough of Luton. Total cost is £54,000 and the architect is George Grey. The other, worth £26,000, is for Sevenoaks School, architect—Kempson and Partners.

For Milton Keynes Co-operative, the group is to build a department store in Bletchley at a cost of £465,000. The Bowman Associates is the architect.

George Clay is the architect for a school at Northfleet, commissioned for the Rochester Diocesan Board. This is a £224,000 contract.

New London Properties and the company are involved in a project for a big office block at Tunbridge Wells to cost £317,000. Architect is Barton Wilmore.

For Shaftesbury Housing Association, the company is building a series of old people's flats to the design of R. Watson and Partners. The cost in this case is £248,000.

A big warehouse in Maidstone is the last of the larger contracts in a group of 11. For Charles J. F. Davies and will cost £118,000.

Transverse grooves to save life

REMARKABLE reductions in the number of recorded accidents following transverse grooving of part of Highway 401—in the ring road section around Toronto—has helped to convince Canadian road authorities that this British system is the most cost-effective way of making concrete pavements safer.

Ernst Products, of Kingsbury, N.W.9, which developed the system, has now won a contract to transverse groove a further 1m. square yards of this ten-lane urban freeway, including feeder roads and slipways. A seven-man team, equipped with Ernst Spetis 12 and Spetis 20 machines, has already flown to Canada and began operations last week.

The work is expected to take ten weeks, with five machines in action most of the time. Spetis 12 and 20 are both one-man self-propelled machines that can groove right across all lanes of the highway in a single pass. They cut the grooves by the fall-

Carried by air cushion

THE Air Cushion Division of Mears Construction has completed the relocation of the largest storage tank ever to be transported using the hover principle.

The contract for Starline Industria Petrolifera was carried out at the company's refinery in Livorno, Northern Italy.

Measuring 66 metres in diameter, the 530 ton tank was moved a distance of 500 metres to a new site because of failed foundations.

Pipelining attachment for tractor

FOR 70 HP tractors a pipelining attachment, stated to meet British Standard requirements, has been introduced by T. T. Boughton and Sons, Bell Lane, Amersham, Bucks. (0294 4411).

Maximum lift is 9,000 kg. and maximum pipe diameter is 600 mm. The unit is said to be capable of working in the worst winter weather conditions.

Which units are hydraulically driven, and there are two main control levers, with three supplementary control counterweights, hoist, brake and clutch. A new compact rope block has been incorporated to give maximum clearance under the hook.

The company says the meter can help to reduce costs and increase efficiency, helping in making decisions when concrete has reached an acceptable strength during variable climatic conditions, or indicating when it needs to be covered to prevent heat loss.

Meter readings are claimed to be a more reliable guide to concrete maturity than using a sample test cube, as the measurement is taken in situ.

Concrete tester

WHAT IS believed to be the first portable concrete maturity meter in the world has been developed by Ground Engineering (a John Laing Group company).

It automatically integrates time and temperature and gives a reading of maturity expressed in deg. C hours. Powered by batteries, it measures via a reusable brass temperature sensitive probe which is embedded in the concrete when it is poured.

The company says the meter can help to reduce costs and increase efficiency, helping in making decisions when concrete has reached an acceptable strength during variable climatic conditions, or indicating when it needs to be covered to prevent heat loss.

Opportunity knocks

SIX MAJOR contractors and importers from the United Arab Emirates are to be invited to come to the U.K. as a trade mission early in November if sufficient support is given by British companies. The mission is being jointly sponsored by The Building Centre and the British Overseas Trade Board.

It is planned that interviews will be held at The Building Centre where it will be possible to promote sales, enter into agency negotiations or group ventures.

The Department of Trade will provide financial assistance under the terms of the British Overseas Trade Board Mission Scheme. The remainder of the cost will be divided between the participating firms.

Full details can be obtained from W. Bridge, Head of the International Centre, The Building Centre, 26 Store Street, London WC1E 7BT (01-436 1197).

To build overseas

FOLLOWING surveys carried out in Iran, Saudi Arabia, the United Arab Emirates and Nigeria, Y. J. Lovell (Holdings) and K. Stewart announce the formation of Lovell Stewart International.

This jointly owned enterprise will carry out overseas construction operations through subsidiary companies based locally and negotiations for work are already proceeding, the company says. Company headquarters will be in London.

Transport for society

SPONSORED by the Institution of Civil Engineers, a conference and exhibition on "Transport for Society" is to be held in Brighton on November 11-12. It is to be opened by the Minister of Transport and 14 papers are to be presented.

Plastic hydraulic hose

A HIGH pressure hose with a burst rating of 40,000 psi and a working pressure up to 10,000 psi is being introduced throughout Europe by Samuel Moore Europe SA, Chaussée de Tirlemont 100, B-5800 Gembloux, Belgium.

Called Synflex 3R10, it is available in 1/2 and 3/4 inch nominal inside diameter sizes, and is a seamless polyamide core hose with a synthetic fibre reinforcement bonded to the smooth polymer outer sheath, which has high abrasion resistance.

£2m. flats and houses contract

PETERBOROUGH Development Corporation has awarded Robert Marriott a contract to build 178 houses and flats at Orton, Peterborough.

They will be built in traditional brickwork and work starts today. Marriott is at the half-way stage in building 250 dwellings through narrow streets from some of the busiest roads in the City. The contract, valued at £165,000, was awarded to Wates by Mavelen. Construction will start in the first week of October and is for completion by mid-August 1976.

IN BRIEF

● Work has begun on 300 dwellings for Milton Keynes Development Corporation under a contract awarded to Wincott Galliford, a subsidiary of Galliford Brindley. The total value of the work, taking place at the Springfield No. 1 site, is just under £3m. It is the major job in a total of £51m. worth of work won by the company in the past six months.

● Gilbert Ash Scotland, (Bovis Group) has won a £480,000 modernisation contract for work on houses at Maryhill, Glasgow.

● Erecting a five-storey office block in historical Piccadilly Street, London, E.C.4, will be

Outer diameters are 0.470 and 0.530 inch and minimum bend radii are 1 and 24 inch for the respective tube sizes.

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Transport for society

SPONSORED by the Institution of Civil Engineers, a conference and exhibition on "Transport for Society" is to be held in Brighton on November 11-12. It is to be opened by the Minister of Transport and 14 papers are to be presented.

Within the general theme will be four main topics covering: current developments and the future of traffic and transport in the U.K.; rural and inter-urban transport; urban traffic and transport; and the implementation of traffic and transport plans and decision making.

Details from the Institution at Great George Street, London, SW1 (01-639 3811).

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Western Deep Levels Limited

(Incorporated in the Republic of South Africa)

Circular to Members

Proposals concerning Elandsrand Gold Mining Company Limited

On 4th September 1974 this company published a joint announcement with Western Ultra Deep Levels Limited concerning the formation of Elandsrand Gold Mining Company Limited. The announcement stated that an application for a mining lease grant to Western Deep Levels in perpetuity in the area of approximately 513 hectares of the south-western portion of its lease area, for inclusion in the mining lease area of Elandsrand.

A further joint announcement by the two companies, published on 20th June 1975, reported that the Honourable the Minister of Mines had agreed to grant the lease applied for, covering a total area of approximately 2,618 hectares.

Following the receipt of letters from the Secretary for Mines notifying the two companies of the approval of the lease application, a formal agreement was entered into between Western Deep Levels Limited, Western Ultra Deep Levels Limited, Witwatersrand Deep Limited and Elandsrand Gold Mining Company Limited, recording the rights and obligations of the various parties.

In terms of this agreement, Western Deep Levels will cede to Western Ultra Deep Levels, for simultaneous cession to Elandsrand, a portion of its mining lease area measuring 514,602 hectares. At the same time, Western Ultra Deep Levels will cede to Elandsrand the mining lease applied for by Western Ultra Deep Levels over an area of 2,103,894 hectares, comprising portions of the farms Buffelsdorp No. 143 I.O., Elandsfontein No. 115 I.O., Elandsfontein No. 135 I.O., and Elandsfontein No. 144 I.O., in the district of Potchefstroom; Transvaal. The combined lease area to be registered in Elandsrand's name will thus cover a total of 2,618,501 hectares.

The consideration paid by Elandsrand for the mining lease amounted to R2 365 000, which was allocated to the parties according to drilling and prospecting expenditure incurred by them and their costs in acquiring the right to mine the area, as follows:—

Company	Area Contributed (hectares)	Proportion of shares to be offered (per cent)
Western Deep Levels	514,602	19.65
Western Ultra Deep Levels	1,670,000	70.55
Witwatersrand Deep	230,000	
	R2 365 000	

In terms of the agreement, the parties have applied the amounts received by them respectively in subscribing in cash at a price of R1 per share for a total of 2,365,000 shares of 20 cents each in the capital of Elandsrand. Elandsrand has undertaken to grant to Western Deep Levels in perpetuity the exclusive right to mine the Carbon Leader reef in the area ceded by Western Deep Levels on a tribute basis, at a nominal royalty payable by Western Deep Levels to Elandsrand of R1 per centare mined on reef by Western Deep Levels in the area.

The agreement between the parties further provides that Elandsrand will in due course make an offer of shares in order to raise its initial capital requirements, and that such shares shall be offered to the promoting companies for at the discretion of Elandsrand their nominees or shareholders in proportion to the areas contributed by them, viz:—

Company	Area Contributed (hectares)	Proportion of shares to be offered (per cent)
Western Deep Levels	514,602	19.65
Western Ultra Deep Levels (net)	1,670,000	70.55
Witwatersrand Deep (in respect of its 22.5 per cent interest in portion of the Ultra Deep mineral rights)	248,509	9.492
	2,618,501	100.000

Elandsrand Gold Mining Company Limited will be making an announcement in this regard within the next few months giving full details of its proposals.

In deciding to cede portion of the Western Deep Levels' mining lease area for inclusion in the area to be mined by Elandsrand, your directors took into account the fact that the existing critical resources of the Western Deep Levels mine, such as hoisting capacity, ventilation and refrigeration, have been planned to give priority to the total extraction of the Carbon Leader reef in its original lease area. In order to exploit fully the Ventersdorp Contact reef in the south-western portion of the company's lease area at the present time, it would thus be necessary to sink a new shaft system to this horizon and, as the existing milling and treatment capacity of the mine is fully utilised, to construct a new plant of at least 100,000 tons capacity. The total capital cost to the company would be disproportionately high in relation to the benefits to be derived from the mining of the Ventersdorp Contact reef in this area.

In all the circumstances, it is therefore considered to be to the advantage of Western Deep Levels and its shareholders to participate in the exploitation of the V.C.R. in the area indirectly through its participation in Elandsrand, because that company will be able to mine the reef at an earlier date and at a lower unit cost than Western Deep Levels could achieve.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

By order of the board
per J. E. Townsend
Divisional Secretary
3th August 1975
Registered Office:
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MONDAY, AUGUST 11, 1975

The limits to intervention

THERE HAVE been increasing signs in the past few weeks of the Government's industrial policy having been turned in a new and more welcome direction. The terms on which Government assistance was made available to the Alfred Herbert machine tool group a month ago and on which further aid was provided to Govan shipbuilders last week, the decision to call a halt to further Government help for the motor cycle industry, and the new more pragmatic approach now being adopted to planning agreements—these developments all seem to mark a turning point. The social and political factors that underlay the Government's willingness to support Meriden and other co-operatives last year appear to have given way to a much more level-headed and indeed cautious approach to the role that Government is capable of playing in supporting industry.

Dashed hopes

The decision to refuse further aid to Norton Villiers Triumphant was perhaps the most notable departure from the Government's earlier interventionist policies. It was certainly the most difficult, not merely because it meant abandoning the commitment which both the present Government and its Conservative predecessor had appeared to make to the motor-cycle industry but because it meant dashing the hopes of the workers and trade unions affected after they had been—as it turned out—so cruelly raised.

But it was the lack of an adequate prospect of viability that led the Government to take this painful decision, and it was this same theme that characterised the Govan and Herbert decisions. It is true that Mr. Eric Varley, the Industry Secretary, partly justified his decision to go on assisting Govan on the grounds that it provided an area of exceptionally high unemployment. But he also made the point that the shipyard was now forecasting a profit and he coupled his announcement of further help with a clear warning that Government subsidies would not be forthcoming indefinitely. Any further aid, he said, would be contingent upon the Government being satisfied with the company's progress and he specifically cited the company's still disappointing productivity record.

More pressure on Mr. Vorster

THE PURPOSE of France's partial ban on arms sales to South Africa, announced by President Valéry Giscard d'Estaing in Kinshasa over the week-end, is rather clearer than the precise scope of the new policy. Since the United States and Britain cut off arms supplies to Mr. Vorster's government, France has become South Africa's primary source of weaponry of all kinds. In principle the French government has for some time claimed that there was an embargo on arms which could be used for internally repressive purposes. But since the list of French weapons which have been supplied include tanks, helicopters and supersonic aircraft, the French government has been vulnerable to the charge from countries in black Africa that it was taking a very tolerant view of apartheid. Like other Presidents before him, M. Giscard d'Estaing wishes France to be seen as a friend of the Third World, and in the wake of the crumbling of the Portuguese empire, he has evidently decided that the time has come for a gesture that should be well received in black Africa.

Whether the new policy is more than a gesture remains somewhat obscure, however, since the President has been sparing of details on how it will be implemented. Naval hardware will apparently be excluded from the ban, which means that South Africa will get the two submarines outstanding from an order of five which have yet to be delivered. The main ambiguities concern the ban on sales of land and air weapons. South Africa has already acquired 50 Mirage III jet aircraft, but it is not clear whether the order for further 20 more modern Mirage aircraft will be allowed to go through. Similarly, though AMX tanks will apparently come

under the new embargo, the interdiction applies primarily to arms supplied complete from France. Weaponry which has been assembled or manufactured under licence in South Africa, which includes tanks and an increasing proportion of Mirage parts, will be considered by the French government case by case.

In the absence of more detailed official interpretation, then, it looks as though the new French policy may be sufficiently elastic to soften the blow for French arms manufacturers such as Dassault, for the French balance of payments, and without sacrificing the essential purpose of signalling a change of emphasis in the attitude towards the South African régime.

Paradoxical

While the new policy may bring President Giscard d'Estaing diplomatic dividends in the rest of Africa, and while it might in time have a significant impact on South Africa's domestic military capability, it is doubtful whether it will have any short-term consequences. Ironically, its announcement has coincided with a meeting at which Mr. Vorster has stepped up pressure on Mr. Ian Smith to reach some accommodation with the Rhodesian African nationalists, and at which the two leaders claim to have reached agreement on proposals for ending the Rhodesian constitutional deadlock. Until the details are released, it will be impossible to tell whether the prospects of progress have been improved. But it is paradoxical that France should be hardening its policy towards South Africa just at the moment when that country, for all its unchanging domestic policies, is trying to work for a peaceful settlement in Rhodesia.

Exhortations to expand bring cold comfort to farmers

By JOHN CHERRINGTON, Agriculture Correspondent

LAST WEEK Agriculture's "Little Noddy" sent a memorandum to the National Economic Development Council drawing attention to the serious situation developing in U.K. agriculture because of the downturn in investment intentions and forecasts of reduced output. The EDC fears that these developments may prejudice the expansion in farm output called for in the recent White Paper, "Food from our own Resources."

The EDC is reflecting an uneasiness among farmers. The NFU, the Milk Marketing Board, the Country Landowners' Association and many others are joining the chorus about the parlous state of the industry: so much so indeed that the campaign has all the signs of being a well orchestrated and co-ordinated attempt to influence policy. This I do not believe to be true, except in the sense that all these organisations are reflecting the worries of their members over prices, taxation and the future. So vehement have their protests become that there is a danger of them being dismissed as "crying wolf."

But this again is not so. There is a real danger of production falling in some important respects unless what is loosely called "confidence" is restored to farmers. Take first the situation in the livestock industry, which represents 68 per cent of the output from British farms.

Stop-gap measures

Some time ago I noticed that one of my neighbours was sporting a new and fairly expensive car. How, I asked, at a time when farmers' leaders were spreading the most fearful tales of gloom and doom, could he justify such a purchase? The reason, he said, was simple. He had always found that when the livestock farmers who have been the main source of recent complaints were in trouble, times were bound to be good for the arable grain grower such as himself.

There is a lot of truth in this. The basic cause of livestock farmers' discontent was the rise in the cost of grain and feeding stuffs in the autumn of 1973/4. This increase took the prices of these basic essentials of livestock farmers almost to Common Market levels, and was accompanied by a comparative rise in returns. The year 1974, therefore saw a succession of stop-gap measures instituted by Government to rescue from disaster, first milk, then beef, then pigs.

The price of feeding stuffs today is almost the same as it was last year (although there is a rising tendency), but all other costs have risen in line

with inflation. At the same time, while actual costs in total are probably approaching those of our EEC partners, prices are still kept down according to the stages of the so-called "transitional period" towards full EEC price levels. In addition, the £ sterling is still over-valued in relation to the EEC unit of account, and this reduces the prices fixed in EEC units of account in terms of sterling.

Production falling

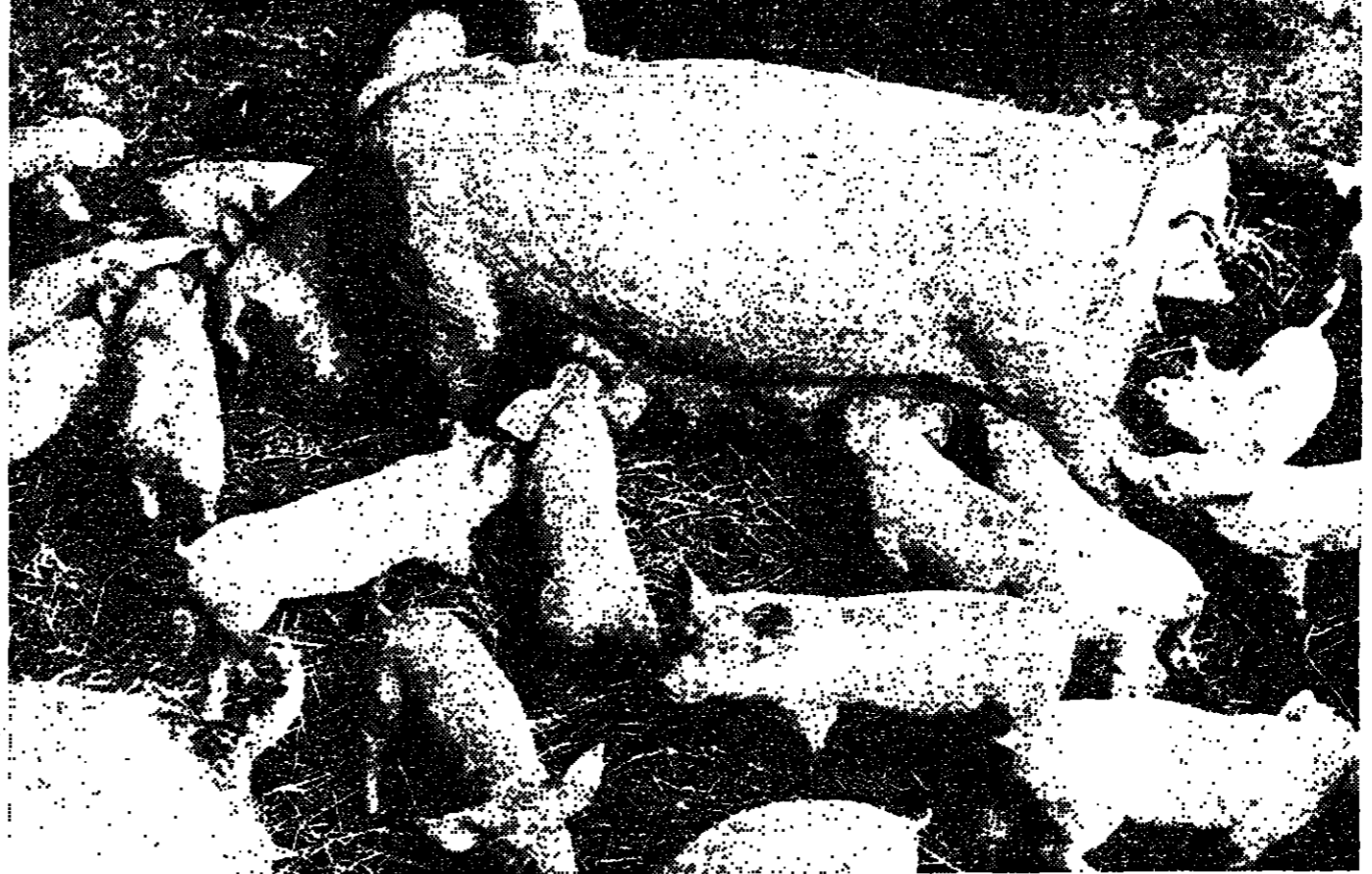
The most vocal complaints are coming from milk producers. Production is falling partly because of drought, partly because of a reduction in the number of producers. This last has been assisted by a Common Market grant which provided a subsidy for farmers who were prepared to give up dairying and keep beef cattle on their holdings instead. The grant ended on July 31, but I doubt very much if it significantly increased the numbers leaving above those who

had intended to quit dairy farming anyway when they had the opportunity.

British dairy farmers and processors had the impression, fostered by pro-Common Market statements, that once full membership was accomplished they would have a chance to increase the manufacture of butter and cheese thanks to the disappearance of most foreign imports. This belief was

without thought either of future markets or feed supplies. They had been encouraged by subsidy and considerable Government propaganda. How successful this campaign was can be seen from the June 4 returns. Cattle numbers in England and Wales rose by 1.1m. between June 1971 and June 1974. This is the simple reason why fodder supplies are scarce, even though one in the Ministry of Agriculture

the fact that the only branch of livestock farming showing reasonable profits at the moment is pigs. From a high of 7.3m. two years ago, numbers this summer have fallen to 6.6m. and market prices are still well-sustained.



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heightened by the Government's White Paper "Food from our own Resources," which called for a 20 per cent increase in milk production. The fact that this was directly contrary to the Common Market Commission's expressed desire to limit milk production to market needs, has never been satisfactorily explained.

However, in spite of the White Paper it does appear that the Government will be quite content as long as the liquid market is supplied from British farms. There is no sign of a shortfall for this outlet. There is a surplus of all dairy products in the Community, and it does look as though the Government realises, even if farmers don't, that a Common Market means what it says.

The stridency of the dairyman's complaints is masking a situation in other parts of the cattle industry which verges on the disastrous. The drought this summer which has badly affected the South-West and reared large numbers of calves

youth that no farmer kept more than he could safely admit it.

This concerned mainly hay and other fodder for cattle and sheep. In more recent days this could be disregarded by the venturesome minority who purchased lots of fodder to supplement their own.

But over the last two winters fodder stocks which used to provide a reserve for drought seasons have become completely exhausted as farmers frantically sought supplies to keep their cattle alive. Fodder prices now are sky high and I gather that many farmers simply would not know how to pay for it even if they could find it. This affects particularly those rearing cattle on farms which do not produce milk and therefore fail to qualify for the full hill farming subsidies.

The reason for all this is quite simply that under the influence of a lemming-like instinct that beef was to be short for ever in the world, farmers reared large numbers of calves

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Of the reasons given for this, a third were related to those taxes, with uncertainty about farming profits next in importance. An added factor in farmers' plans has been the uncertainty over the tied cottage. Many of the larger livestock farmers claim that it will make it impossible for them to continue on their present scale if these are done away with.

Errors of judgment

There are therefore areas of considerable difficulty at present in farming; but they do not add up to a depression. There has been no rash of bankruptcies, and those I have seen details of seem to have been caused by errors of commercial judgment and would have happened at any time. Profits in 1972 and 1973 were quite good according to the Review figures, and had farmers husbanded their resources and not tried to expand their output, particularly of livestock, they could have survived a drought like the present one.

Higher beef prices

The situation will of course right itself in time. Already this June the number of cattle in England and Wales is down by half a million, and if farmers are sensible this decline should sound, so well. But as things are now can you really support a policy of increasing production of milk and beef, in both of which the Community is in surplus and which will only add to the general expense of CAP? It really looks as though neither the Government nor the NFU have yet realised what a Common Market really means in terms of the agricultural sector. Until this issue is firmly faced in conjunction with our fellow members and with the Commission, all talk of expansion should be put into cold storage.

MEN AND MATTERS

Running wild

Do you remember 1950 jokes about Russian runners who started the Olympic Games as corporals and ended them, three gold medals later, as generals? Athletics has come a long way since then; it is not just the East Europeans who think medals worth spending state funds on. We do to. That the idea of supporting amateur athletes has been accepted emerged from the White Paper on Sport and Recreation and Denis Howell's comments on it. The catch is that the State hasn't any money to pay the athletes, but the principle is now established.

To implement it, Howell is trying to persuade sponsors, including—to the embarrassment of the health authorities—the tobacco companies, to support the individual athletes with the chances of medals at Montreal next year or Moscow in 1980. The sort of support which he has emphasised is through sports scholarships—with the intended proviso that these won't be abused, as at some American universities, by issuing them to those with heads as thick as their muscles.

But the other sort of "amateur" income will be broken time payments. These are now allowed under a change last year in the International Olympic Committee rules. If modern athletes cannot do a full job and also reach the highest standards in their sport, then they can be compensated for loss of earnings. It seems the same idea as originally caused the Rugby League to break from the Union. Paying for playing wasn't what the League men wanted to begin with, just compensation for the Saturday's work-pay they lost, particularly on away games.

In practice, many top athletes are already well past this point

Fighting talk

Peter MacBryan, co-ordinator of the Disabled Drivers Action Group, yesterday said that after his first full reading of it, he considered the Ombudsman's report on invalid strikes to be "one third fairly strong in favour, two-thirds whitewash." Criticising Sir Alan Marre has become quite the fashion, but MacBryan has clearly grown impatient with almost all official statements on the subject.

He himself enjoys a car, something the DDAG wants for all the disabled who now qualify for the three-wheelers. But this is because as well as disablement of the limbs, MacBryan is a severe haemophilic. The battle for the severe haemophilics—not all sufferers qualify—was finally won in 1972 on the grounds that the strikes could give a shaky-ride which caused bleeding.

What MacBryan, 37, wants to see the disabled in is adapted Minis—he says it is not the moment to advocate importing the special Daf 44s used for the disabled in Holland. There are arguments that the Minis, particularly in running costs, can work out cheaper than the Dafs. Here the matter is slightly complicated by the fact that MacBryan was for several years employed by British Leyland, a company with a good record for accommodating the disabled, on its merchandising side. BL did, for two years, support the campaign by allowing MacBryan to work for it from his Oxford home. He has now, for medical reasons, had to give up all work but the campaign.

The Department of Health and Social Security, which designs the vehicles, is, MacBryan argues, "isolated from the main motor industry" and the usual consequences of faulty design.

Going North

Woodrow Wyatt's political stance has long defied simple definition: his combination of Labour MP and successful private businessman ended in 1970 and three years later he took his commercial printing group—by then clear of its loss-making newspapers—public as Woodrow Wyatt Holdings. It is now losing one of its older and most interesting customers, Soviet Weekly, but this, both sides hasten to add, has nothing to do with politics or Wyatt's well-known distaste for Communists.

Novosti, which publishes the paper, simply blames money for the break. With costs rising sharply it has got a better deal from Liverpool Web Offset, a subsidiary of The Liverpool Daily Post and Echo, which has recently installed new machinery. There is also, Novosti adds, the thought that Liverpool may make a better distribution base than Banbury.

Either way, there is no prospect of an altered print run. This was settled at 30,000 under a treaty of 1942. Soviet Weekly, which is quite a cheerful effort with an emphasis on sport as well as culture and tales of industrial progress, is edited from the South Kensington offices of Novosti, which ranks as a "semi-official" Soviet news agency. 18,000 copies are distributed in Britain, though not all of these are paid for. The rest go to other English-speaking countries, or back to Moscow for school English lessons. Whatever the effects of its move to Liverpool, Soviet Weekly has already recognised Western inflation with a price rise from 5p to 7p.

Observer

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The Post Office is trying to automate the mail. But there are limits, human and technical, to what it can do. David Fishlock reports

Sorting the letters with POP and ALF

THE POST Office claims to have been paying a heavy price for Britain's rising standards of affluence. Each year, it says, it has had to recruit an additional 500 postmen just to compensate for the longer walk entailed by the terraced houses, semi-detached dwellings, housing estates, high-rise flats, etc.

The customer pays no more, no matter how long the postman's walk becomes to "effect a good delivery," as the Post Office is required to do by law, to every one of Britain's 20m. addresses. But when the real cost of employing each additional postman exceeds £3,000 a year, it adds up to a growing toll which no service, public or private, can carry indefinitely.

No perambulating automation will displace the 85,000 postmen from either of the roles in which they are most familiar to the British public, namely collecting mail from 100,000 post boxes throughout the land, and delivering it to the doorstep. Even in the "wired city" of Milton Keynes, with its 16 wideband TV channels buried beneath its streets, the postmen will still walk the streets.

Envelope

So far, therefore, P.O. ideas for automating the mail have concentrated on the unseen middle sector of the three roughly equal sectors of mail-handling: collection, sorting and delivery. Each letter posted is at present handled by at least a dozen pairs of hands before the addressee's slits open the envelope. Complete automation in sorting may reduce "man-handling" to just six pairs of hands.

Even here, however, the P.O. has run into a discouraging variety of problems, of a kind that anyone contemplating large-scale investment in labour-saving would do well to consider. For the past three years the plans have been frozen at a stage where investment, although substantial (£35m.), was too widely dispersed to have any significant impact upon mail sorting costs.

There are three things which the man who plans automation must get right. First, he must get the technology right—a far-fetched enough challenge in the case of a product as diverse in size, shape, weight and legibility as the mail. Second, he has got to get the man-machine interface right, curbing his enthusiasm for automating everything in sight and deciding where he can best continue to use man's special skills. Third, he has got to enlist the goodwill and co-operation of employees during the transition from labour-intensive to automated operations.

A dozen sorting offices around the country, starting with Norwich in 1966 and Croydon a couple of years later, have already been automated to a considerable extent. Here, mailbags are emptied on to conveyors interconnecting a series of special-purpose machines, mostly designed and developed by P.O. research engineers.

These machines separate the 10 per cent of "unmachinable" mail (such as bulky envelopes and little packets of wedding cake), stack letters the same way up, separate first from second class mail, translate the address into an almost invisible printed code, and use this code to channel letters



Coding the post at Croydon sorting office: an interim step towards full automation.

into pigeon-holes appropriate to the destination. Sophisticated as some of the machines are—ALF, the automatic letter facer, can stack letters the same way up, cancel the stamp, and sort first from second class at the rate of 20,000 an hour—it is still not complete automation. Sorters are needed to handle the 10 per cent of unmachinable mail and at strategic points in the mechanised sequence. Moreover, just as production engineers found when they set out to automate factories in the 1960s, sophisticated machines require constant and skilled supervision and a tenacity if their productivity is to be high.

As for accusations that the P.O. wants to put severe restrictions on our freedom to mail all sizes and shapes of package, in fact "POP"—the P.O.'s preferred range of envelope sizes—gives considerable freedom compared to the restrictions placed on tolerances to automate manufacturing lines successfully. Elsewhere, Germany, Belgium and Japan have already accepted the principle of POP.

Sorting

Turning then, to the second factor, has the P.O. got its man-machine interfaces in the right place? A critical one is the letter coding stage in the

present sorting system. No machine has yet been invented that can read addresses in all the glorious diversity in which they are presented to the postman, and the machine's deficiency is regarded for the present by using the human brain.

The coding operator sits at a desk, where a machine automatically presents each envelope right way up. (This is where POP comes in, for the desk is designed to present only envelopes between certain sizes.) By reading off the postal code and typing it on a keyboard, he reproduces it as a row of almost invisible phosphorescent dots on the envelope, above and below the address. These dots then guide

the letter through subsequent sorting machines to the pigeon-hole appropriate to its destination.

No one denies that the operator's task is tedious and unpleasant—the more so because it is carried out close to noisy sorting machines. But this is an interim step, awaiting demonstration of a machine that can read at least typescript with the accuracy of a human that, far from being a golden sorter, say no more than three errors per thousand addresses. mail sorting was a simple question of survival for some at least.

Every country trying to automate mail sorting, says the P.O., had adopted the same interim three-year hiatus no new automatic mail sorting machinery was installed, while the pace of coding for two-hour stints, research and development with breaks during which they slackened.

The ten-year P.O. automation programme, now expected to start moving again in September, on which the P.O. is hoping to spend another £60m. at today's prices, is designed to save only 6,000 jobs (allowing for an in-crease in maintenance staff).

Several Post Offices, including those of the U.S., Canada, Japan, and France, have optical character recognition (OCR) equipment on trial that could fully automate this step and eliminate the sixth pair of hands men from the sorting process. But delivery each year just to cope with the machines still seem to make a lot of mistakes.

A possibility the P.O. appears to have ignored, however, perhaps because of a weakness in its market research on mail, is that a lot of mail might be encoded at source, in the post rooms of companies, or even by computers in the case of automatically addressed mail. Only one-third of U.K. mail is private-to-private correspondence.

The third factor is the good-will and co-operation of employees. The danger for a public corporation is that in making its case to the Govern-

ment for the capital investment required it will over-stress the financial advantages envisaged and leave itself vulnerable to pressures to "share the profits" in advance. This happened to British Rail and its ambitious plans to advance rail-ways technology with the introduction of a machine that has taken the P.O. three years to convince postal workers of the accuracy of a human that, far from being a golden sorter, say no more than three errors per thousand addresses.

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Letters to the Editor

An area for savings

From Mr. N. Ashton Hill.
Sir,—May I respectfully suggest an immediate saving in public expenditure? If the report of the Commission given the course of his declared duties is to be rejected by a majority vote in the House of Commons there seems no purpose whatever in his remaining in office.

N. Ashton Hill.
Ashton Hill and Company,
Pearl Assurance House,
Friar Lane, Nottingham.

County Council budgets

From The County Treasurer, County of Cleveland.
Sir,—The County Council of Cleveland adopted the Government's recommendations for growth when it fixed its expenditure for the current year. It is investigating the implications of a 15 per cent. growth rate for 1976/7 and has already cut out almost 4 of its investments proposals for 75/6 as the first step to achieving that target. It is therefore by any standard a responsible authority well aware of national requirements. The County Council will find it extremely difficult to limit expenditure in real terms in 76/7 to the same levels as in 1975/6.

Together with many local authorities this Council and its predecessors have with the approval and positive support of several Governments carried out for several years up to 1974/5 a high level of capital investment in basic facilities such as schools, fire stations, and homes for the elderly. This expenditure has very properly been financed by borrowing also approved in total and in detail by past governments.

Not nearly enough attention is being paid to the effect of these past investments on local spending for the next three years. It takes at least three years from the decision to build a school before the total costs of capital expenditure servicing, equipping and staffing of that school need to be provided from the rates.

Two things follow. At any moment an increase in local expenditure next year is pre-determined and pre-committed by decisions taken up to two years ago. Conversely cuts in capital expenditure in 75/6 have a marginal effect only on requirements in 76/7. Cuts in capital expenditure in 76/7 will have a negligible effect on the amount required from rate-payers in that year.

In May 1975 Cleveland was committed to a rate of growth in 1976/7 of 2.1 per cent, arising from decisions taken in 74/5 and earlier. In common with many other authorities Cleveland also faces increases in demands for its services over which it has little control. The number of children entering secondary education will increase. The number of children committed to the local authority's care by the Courts is also likely to increase.

Ignoring altogether the problems of incremental salary schemes the Council already faces an overall growth rate of 4.5 per cent in the coming year. If this growth rate is to be accommodated within the same mechanism in force whereby unauthorised direct debits can be stopped in their tracks, the only remedy being subsequent rectification. I regard that as an un-level of local spending is obviously of great concern to the managers of the national economy. Mr. Freagard stands that to reduce the growth

rate violently over a period of 18 months must lead to a completely unprecedented withdrawal of local services. This withdrawal will equally inevitably lead to massive outcry from clients, pressure groups, unions and socially active supporters of the services in question.

Bruce Stevenson,
P.O. Box 108,
Municipal Buildings,
Middlebrough,
Cleveland.

Twenty pages or this table

From Professor S. Eilon.
Sir,—The Board of Inland Revenue has just published its PAYE Tax Table (the 1975 issue). I hate to think how much this publication must have cost particularly as it includes no less than 20 pages of Table B (for tax due on taxable pay), which is utterly superfluous. These 20 pages (with five to six columns per page) are nothing more than computations of 35 per cent. of total taxable pay, and one can only surmise that the Board regards employers' pay offices as too morose to be able to compute 35 per cent. of a given sum.

For those who are too lazy to use even the cheapest desk calculator and who have forgotten how to do it by hand, the following table is provided to replace the 20 pages of Table B. And a plea to the Inland Revenue: if you must publish such a table, why not adopt the following format to save a sizeable deal of unnecessary expenditure?

	0	1	2	3	4	5	6	7	8	9
14	0.00	0.23	0.47	0.70	0.94	1.17	1.40	1.64	1.87	2.10
15	2.33	2.57	2.80	3.03	3.27	3.50	3.73	3.96	4.19	4.42
16	4.65	4.88	5.11	5.34	5.57	5.80	6.03	6.26	6.49	6.72
17	6.95	7.18	7.41	7.64	7.87	8.10	8.33	8.56	8.79	9.02
18	9.25	9.48	9.71	9.94	10.17	10.40	10.63	10.86	11.09	11.32
19	11.55	11.78	12.01	12.24	12.47	12.70	12.93	13.16	13.39	13.62
20	13.85	14.08	14.31	14.54	14.77	15.00	15.23	15.46	15.69	15.92
21	16.15	16.38	16.61	16.84	17.07	17.30	17.53	17.76	17.99	18.22
22	18.45	18.68	18.91	19.14	19.37	19.60	19.83	20.06	20.29	20.52
23	20.75	20.98	21.21	21.44	21.67	21.90	22.13	22.36	22.59	22.82
24	23.05	23.28	23.51	23.74	23.97	24.20	24.43	24.66	24.89	25.12
25	25.35	25.58	25.81	26.04	26.27	26.50	26.73	26.96	27.19	27.42
26	27.65	27.88	28.11	28.34	28.57	28.80	29.03	29.26	29.49	29.72
27	29.95	30.18	30.41	30.64	30.87	31.10	31.33	31.56	31.79	32.02
28	32.25	32.48	32.71	32.94	33.17	33.40	33.63	33.86	34.09	34.32
29	34.55	34.78	35.01	35.24	35.47	35.70	35.93	36.16	36.39	36.62
30	36.85	37.08	37.31	37.54	37.77	38.00	38.23	38.46	38.69	38.92
31	39.15	39.38	39.61	39.84	40.07	40.30	40.53	40.76	40.99	41.22
32	41.45	41.68	41.91	42.14	42.37	42.60	42.83	43.06	43.29	43.52
33	43.75	43.98	44.21	44.44	44.67	44.90	45.13	45.36	45.59	45.82
34	46.05	46.28	46.51	46.74	46.97	47.20	47.43	47.66	47.89	48.12
35	48.35	48.58	48.81	49.04	49.27	49.50	49.73	49.96	50.19	50.42
36	50.65	50.88	51.11	51.34	51.57	51.80	52.03	52.26	52.49	52.72
37	52.95	53.18	53.41	53.64	53.87	54.10	54.33	54.56	54.79	55.02
38	55.25	55.48	55.71	55.94	56.17	56.40	56.63	56.86	57.09	57.32
39	57.55	57.78	58.01	58.24	58.47	58.70	58.93	59.16	59.39	59.62
40	59.85	60.08	60.31	60.54	60.77	61.00	61.23	61.46	61.69	61.92
41	62.15	62.38	62.61	62.84	63.07	63.30	63.53	63.76	63.99	64.22
42	64.45	64.68	64.91	65.14	65.37	65.60	65.83	66.06	66.29	66.52
43	66.75	66.98	67.21	67.44	67.67	67.90	68.13	68.36	68.59	68.82
44	69.05	69.28	69.51	69.74	69.97	70.20	70.43	70.66	70.89	71.12
45	71.35	71.58	71.81	72.04	72.27	72.50	72.73	72.96	73.19	73.42
46	73.65	73.88	74.11	74.34	74.57	74.80	75.03	75.26	75.49	75.72
47	75.95	76.18	76.41	76.64	76.87	77.10	77.33	77.56	77.79	78.02
48	78.25	78.48	78.71	78.94	79.17	79.40	79.63	79.86	80.09	80.32
49	80.55	80.78	81.01	81.24	81.47	81.70	81.93	82.16	82.39	82.62
50	82.85	83.08	83.31	83.54	83.77	84.00	84.23	84.46	84.69	84.92
51	85.15	85.38	85.61	85.84	86.07	86.30	86.53	86.76	86.99	87.22
52	87.45	87.68	87.91	88.14	88.37	88.60	88.83	89.06	89.29	89.52
53	89.75	89.98	90.21	90.44	90.67	90.90	91.13	91.36	91.59	91.82
54	92.05	92.28	92.51	92.74	92.97	93.20	93.43	93.66	93.89	94.12
55	94.35	94.58	94.81	95.04	95.27	95.50	95.73	95.96	96.19	96.42
56	96.65	96.88	97.11	97.34	97.57	97.80	98.03	98.26	98.49	98.72
57	98.95	99.18	99.41	99.64	99.87	100.10	100.33	100.56	100.79	101.02
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60	105.85	106.08	106.31	106.54	106.77	107.00	107.23	107.46	107.69	107.92
61	108.15	108.38	108.61	108.84	109.07	109.30	109.53	109.76	109.99	110.22
62	110.45	110.68	110.91	111.14	111.37	111.60	111.83	112.06	112.29	112.52
63	112.75	112.98	113.21	113.44	113.67	113.90	114.13	114.36	114.59	114.82
64	115.05	115.28	115.51	115.74	115.97	116.20	116.43	116.66	116.89	117.12
65	117.35	117.58	117.81	118.04	118.27	118.50	118.73	118.96	119.19	119.42
66	119.65	119.88	120.11	120.34	120.57	120.80	121.03	121.26	121.49	121.72
67	121.95	122.18	122.41	122.64	122.87	123.10	123.33	123.56	123.79	124.02
68	124.25	124.48	124.71	124.94	125.17	125.40	125.63	125.86	126.09	126.32
69	126.55	126.78	127.01	127.24	127.47	127.70	127.93	128.16	128.39	128.62
70	128.85	129.08	129.31	129.54	129.77	130.00	130.23	130.46	130.69	130.92
71	131.15	131.38	131.61	131.84	132.07	132.30	132.53	132.76	132.99	133.22
72	133.45	133.68	133.91	134.14	134.37	134.60	134.83	135.06	135.29	135.52

COMPANY NEWS

Siebe Gorman well placed for growth

DURING THE year to April 5, 1975 Siebe Gorman Holdings further strengthened and improved its position, and is well placed to take profitable advantage of all opportunities at home or overseas, says the chairman, Mr. C. C. Darcy Biss, in his annual statement.

The directors are confident the group's capability is such that it can give a good account of itself whatever may develop, subject always to general economic difficulties beyond its control.

The chairman is encouraged that the group owns "capable and well placed overseas companies." As known, pre-tax profit increased from £25m. to £28.1m. in 1974-75. A reduction of associated costs from £24,000 to £23,700 was "more apparent than real," resulting from the December 1973 reorganisation of the European interests and the sale of four former associates, he explains.

A breakdown of profit before tax, extraordinary items and share of associates, shows:

	1975	1974
Profit before tax	1,177	895
Extraordinary items	216	122
Share of associates	110	104
Total	1,503	1,121

Dividends for 1974-75 are up from 3.85p to 3.67p net. As reported, the company is presently raising about £1.387m. by way of a rights issue of 2,070,938 new Ordinary 25p shares and, in the absence of unforeseen circumstances, the directors intend to recommend payments for the current year amounting to 4.35p net or 7.0p gross, an increase of 20 per cent. on the gross recommended for the year 1974-75.

H.M. Treasury has confirmed that under current regulations consent will be given to this increased dividend.

During the year the group spent £560,000 (£775,000) on the purchase of fixed assets. On September 23, 1974, the company entered into two agreements for the sale of the Davis Road premises for a total of £1,375,000. The first was completed on October 21, 1974, relating to approximately half the area. The second will be completed at the company's option between March

HIGHLIGHTS

There was little in the way of company news in the week-end post bag but the current week promises to be far more active. To-day, interim figures are due from Commercial Union Assurance, while to-morrow final figures are expected from Arcow (Engineers). Wednesday looks to have more than its fair share of big names with interim figures scheduled from Unilever Carrington Vlyella, General Accident and Smith and Nephew. Making up a fairly heavy list is Philips Lamps which is reporting interim figures only on Thursday.

22, 1975, and March 22, 1977, for £587,500 relating to the rest of the year.

Meeting, Winchester House, E.C., on September 9 at 12.30 p.m. Chairman's Statement Page 3

Cautious optimism at Rivlin

In the absence of unforeseen circumstances, results for I. D. and S. Rivlin in the current year will be satisfactory, states the chairman, Mr. A. B. Rivlin. The directors will continue to examine opportunities to increase profitability. They view the future with "cautious optimism, provided there is an upturn in general trading conditions," members are told.

As reported on July 29, taxable profits fell from £514,582 to £291,083 for the year to February 28, 1975, and the dividend is 2.376p (2.216p) net. Mr. Rivlin says the prime objective of maintaining liquidity was attained, but this had the effect of lowering margins. Very high interest rates also had a detrimental effect—and interest payable rose from £78,881 to £210,614. Meeting, Winchester House, E.C., on September 3 at 2.30 p.m.

Glasgow Stockholders

Gross income of Glasgow

Trust Houses Forte Limited

INTERIM STATEMENT
For the half year ended 30th April 1975

	Half Year to 30th April 1975	Half Year to 30th April 1974	Full Year to 30th October 1974
Trading Receipts & Profit	£134,440	£131,969	£203,985
Trading Receipts	12,858	11,496	33,776
Gross Trading Profit	5,436	4,937	10,110
Depreciation and Amortisation	7,292	6,539	23,665
Net Trading Profit	5,528	6,704	14,490
Financial Charges	(1,306)	(166)	9,176
Profits less Losses on Sale of Fixed Assets and Investments	52	1,468	2,082
Minority Interest	(1,251)	1,223	11,597
Profit (Loss) before Taxation	£4,989	£1,509	£11,080

NOTES

- The above figures are unaudited.
- The figures for minority interest reflect the seasonal nature of the companies concerned.

- No tax charge assessment is possible at the half year stage, since the annual tax rate is dependent upon the profitability of the second half of the year.

Chairman's Statement

The figures for the first half year reflect the seasonal nature of our business.

The Gross Trading Profit is up by 10% despite unparalleled increases in operational costs, including a swingeing rise in the General Rates. This profit has, however, been absorbed by increased financial charges.

The results for the second half of the year are proving to be better than the comparable period last year and this leads us to look forward to the year-end results with some confidence. Being

largely a cash business our cash flow is healthy.

It is proposed that the interim dividend payable in the autumn will be at the rate of 1.75p per share which with the related tax credit is equivalent to 2.69p gross compared with 2.61p gross last year.

We thank our staff for their dedication and loyalty in serving the public in an industry which is of such importance to the national economy.

THORNEYCROFT
7th August 1975

For reservations at any Trust Houses Forte Hotel

or Travelodge RING

01-567 3444

Braham Millar

The 56th Annual General Meeting of the Company will be held at Brown's Hotel, Dover Street, London, W.1, on Wednesday 3rd September 1975, at noon. The following is a summary of the Chairman's Review:—

TRADING: The excellent 65% increase in pre-tax profit despite the fall in general U.K. demand was achieved by maintained home sales, exports doubled to almost £2m and by increased efficiency to which employees throughout the Group contributed.

DIVIDEND: The maximum allowed by Treasury regulations.

PROSPECTS: Bright at present. For the first 3 months output fully maintained and orders exceeded £1.1m (over 5% export). Longer term unpredictable and dependent not least on early reduction of present disparity between U.K. inflation trend and that of competing countries.

Salient points from the accounts to 31st March 1975:—

	1975	1974
Turnover	£200m	£200m
Operating profit before taxation	4,977	3,312
Operating profit after taxation	250	188
Surplus on sale of land less taxation	515	60
Net earnings per 10p share	4.9p	3.6p
Excluding sale of land	4.8p	3.6p
Including sale of land	1.62p	1.43p
Dividends per 10p share	4.6p	3.7p

Copies of the full Report and Accounts are obtainable from the Secretary, Strayfield Works, Clay Hill, Enfield, Middx., EN2 9JQ.

Braham Millar Group Limited

Motor Corporation which becomes a wholly owned subsidiary. Shares in the company have been allotted under the scheme to the former shareholders of BMC and, to the extent that shareholders elected to sell their entitlement to such shares, to the Secretary of State for Industry who thereby holds approximately 78 per cent. of the present issued share capital.

A quotation has been granted for the 58,269,113 fully paid Ordinary shares of 50p of the company. Dealings are expected to commence to-day.

Braham Millar's strength

MECHANICAL engineers, Braham Millar Group, face the future in a strong position, but the chairman, Mr. R. B. Ogden, stresses that this can be quickly eroded "unless adequate disciplines are imposed on the national economy." He reports that the liquid position remains very sound and gives scope for further developments which are constantly under consideration.

Prospects for the trading outcome of the first half of the year are bright, subject to any unforeseen factors. Orders in hand remain sufficient to keep all major occupied well beyond that period.

But trends thereafter are unpredictable. The home market remains very subdued, over-likely further cuts in government and local authority spending, with little sign of revival in the building industry.

Nevertheless there is a useful flow of orders to sustain the home sales organisation and clientele—home orders obtained during the first 3 months amounted to £2m. As prospects for the year remain encouraging, enhanced by fresh contracts secured during the same period. Continuity of the present favourable trend however will be influenced by the extent to which inflation in the U.K. is brought under control.

There are also longer term uncertainties in the export field, apart from local political factors, such as the question of how long demand from the newly-enriched countries can be sustained at the present rate in relation to their absorption capacity in terms of manpower, training, transport and the like, the chairman points out.

As known group pre-tax profits for the year to March 31, 1975 was £153,800 (£12,201) and the dividend is 1.52p (1.43p) net per share. Of the £4.98m. (£3.94m.) turnover £1.98m. (£1m.) was overseas split as to 10 per cent. EEC 4; other European 6; Africa 34; Middle and Far East 53; West Indies, Central and South America 3.

Two directors waived emoluments totalling £10,836 (one director £2,327). Meeting: Brown's Hotel, Dover Street, W.1, September 3, noon.

River Plate & General

Gross income of The River Plate and General Investment Trust decreased from £29,633 to £26,716 in the first half of 1975. The figure for the year 1974 was £28,551.

The interim dividend is 1.1p net (same). Last year's total was 4.2p.

	Half year to 30th April 1975	Half year to 30th April 1974
Gross revenue	£27,463	£29,633
Taxation	(11,494)	(11,496)
Net balance	£15,969	£18,137
Net asset value per 25p share	£130.21p	£130.21p

FT Share Information Service

The following security has been added to the Share Information Services appearing in the Financial Times.

Y. J. Lovell & Kyle Stewart formation

Following surveys carried out in Iran, Saudi Arabia, the United Arab Emirates and Nigeria, Y. J. Lovell (Holdings) and Kyle Stewart announce the formation of Lovell Stewart International. This jointly owned enterprise will carry out overseas construction operations through subsidiary companies based locally and negotiations for work are already proceeding.

Its headquarters will be temporarily located at Kingsbury House, Kingsbury.

THOS. WITTER

The Thos. Witter interim dividend of 0.1625p (against 0.7p) net should not be taken as a guide to the likely level of the final payment—in Saturday's report the word "not" was inadvertently omitted. The directors said the final recommendation would be made in the light of second-half results.



Mr. Francis Sandilands, chairman of Commercial Union Assurance Company, which is due to report half-year results to-day.

Second Danish win in management game

BY MICHAEL DIXON

THREE MARKETING MEN from Copenhagen held off challenges from the U.K. and Ireland in Paris this week-end to win the international management competition for the second successive year. Fourth place went to Holland, with Zambia fifth.

Although led by the U.K. national champions—The Littlewoods Organisation—in the early stages of the computer-based contest, the Danish team's "paper" consumer-durable company finished with an accumulated profit of £3.37m. The U.K. made £7.84m., and Ireland £7.15m.

The Danes— from the measuring instrument manufacturer, Radiometer, which exports 95 per cent of its output—had a lucky break. The buoyant "economic conditions" set by the computer for the international contest were similar to those which the team had handled successfully in winning the Danish national championship.

But the Copenhagen trio made the best use of their luck. They concentrated on expanding factory capacity, which enabled them to stay profitable while steadily cutting

Fewer U.K. companies in EEC mergers

BY LORNE BARLING

THE NUMBER of mergers and takeovers by British companies anticipated that withdrawal within the EEC fell substantially in the first half of the year, according to the London Chamber of Commerce and Industry.

Commerce International, its monthly journal, said that in the first six months of the year there were only 19 instances of British companies buying into companies in the EEC, compared to 33 in the same period in 1974 and 37 in 1973.

The main reason for the drop, according to the magazine, was Britain's economic recession which has led to companies cutting back on their investment plans both at home and abroad. Uncertainty was also caused by the referendum.

While the larger companies anticipated that withdrawal would mean even greater investment in the EEC, the smaller companies thought that they might have to concentrate their resources in other parts of the world," the report said.

Most of the 19 companies involved were "giants," intent on continuing with existing EEC diversification or expansion programmes. Nine of the deals were in France, five in West Germany, two in the Netherlands and Belgium and one in Ireland.

During the period, there were six ventures in which a British and an EEC company set up a joint operation, compared to 17 in the whole of 1974 and 11 in 1973.

Insurance brokers in Iran venture

BY ERIC SHORT

THE GROWING involvement of U.K. insurance brokers in the development of the insurance industry in the Middle East took another step forward when international brokers Stewart Wrightson announced that in association with Iranian interests it has joined a new broking venture in Tehran.

Iran Inco, in which Stewart Wrightson has a substantial stake will operate entirely in the Iranian insurance market. Already it is seeking both Iranian and existing Stewart Wrightson clients domiciled or working in Iran.

The rapid industrial and commercial development taking place in Iran, based on oil and its derivatives, is bringing the need for sophisticated insurance advice and services, together with the

capacity and expertise that only an international insurance market such as London can provide. Hence the need for local insurance organisations to tie in with U.K. companies operating on an international basis.

Earlier this year, another U.K. international insurance broking group, Bland Payne, took a stake in a new Iranian insurance company which also had Arab shareholders. Last year the Commercial Union took 20 per cent. of the capital in an Iranian insurance company transacting all types of general insurance business.

The operations of Iran Inco are being directed by Mr. Massoud A. Shabim and Mr. Sheridan P. Roberts, who was until recently London manager of Stewart Wrightson (International).

More students avoiding business careers

FINANCIAL TIMES REPORTER

MORE AND MORE students are avoiding business as a career, according to the latest issue of The Director, the journal of the Institute of Directors, published to-day.

The magazine reports that the latest figures from Oxford University show that fewer than one in five students enters industry or commerce on graduation.

However, the greatest jump in recruitment has occurred in central and local government, up almost three-fold over the last six years. Accounting and Law have also done well, going from 7 per cent of graduates in 1969 to 11.5 per cent in 1974.

The situation is reported to be compounded by the general lack of knowledge displayed by teachers on industrial matters. It is claimed that there is little material available for classroom use on industrial practice and that what papers there are "frequently contain rather facile views of modern industry."

The report says that similar trends are developing elsewhere. Twenty years of research in the U.S. are claimed to show that American students have moved steadily away from motivation to manage.

RAIL LINE OPEN TO-MORROW

By Our Liverpool Correspondent

The direct main line route linking Scotland, the North and Merseyside with London and the South, which has been blocked at Dutton Viaduct near Warrington since late on Thursday night, is operating normally again to-morrow morning.

NHS hearing aid threat to manufacturers

BY PETER FOSTER

THE DEPARTMENT of Health's decision to provide more "cosmetic" behind-the-ear hearing aids from the beginning of next month could have widespread implications for U.K. hearing aid manufacturers.

The independent sector of the hearing aid market is concerned that this move—which means that behind-the-ear aids will be available, wherever possible, to all deaf and hard of hearing people either in employment or education—may mean a sharp decline in private business and that a number of manufacturers and dispensers may go to the wall.

About 1m. people in the U.K. now wear hearing aids of some sort and about half of the 200,000 or so new pieces supplied annually—worth more than £10m.—are fitted and sold by private dispensers.

Their continued success in the face of "free" aids under the NHS is due to two major factors: many people who are hard of hearing prefer private and confidential treatment, and, perhaps more important, private "alternatives" have traditionally been less obtrusive and ugly than their NHS counterparts.

Now that "cosmetic" aids will be more easily available, there is sure to be a shift of emphasis towards the National Health Service.

There are now some 200 shops in the U.K. serving the needs of the private hearing aid market, and a decline in their business, given their rising overheads, could well be expected to take part.

"In 1977, we expect to have nine or ten countries having, and perhaps 12 in 1978," he added. "Once co-ordinated games are being run throughout Europe, it could be well extended into other areas throughout the world."

But the Copenhagen trio made the best use of their luck. They concentrated on expanding factory capacity, which enabled them to stay profitable while steadily cutting

market is dominated by the U.S. company Mallory, in which Ever Ready holds a 25 per cent. stake. Ever Ready and Mallory were the subject of a Monopolies Commission inquiry the results of which were published last November. Mallory was able, to an extent, to ward off criticisms of the competitive position in the U.K. hearing-aid battery market by pointing out that the Government should be able to use its bargaining strength to achieve the "best possible prices" and this argument carried some weight.

The National Health Service will now be buying many more mercury batteries. If the behind-the-ear battery were to achieve total dominance of the U.K. market, with 1m. such aids being used, annual battery sales, at retail prices, could exceed £5m., although the Government would pay well below this figure.

Mallory and Varra, the German-owned firm which supplies batteries for the Government at the moment and will be sure to hold on to the NHS contract as sales increase.

	1975	1974
Profit before taxation	£1,660,999	£1,660,910
Tax on profit of the year payable	£75,222	£450,355
deferred taxation	£604,676	£411,000
Profit after taxation	£679,918	£661,355
Net earnings per share	4981.081	4739.555
	10.5p	9.61p

The Annual General Meeting of Allied Colloids Group Limited will be held in Bradford on 4th September, 1975. The following are extracts from the circulated statement of the Chairman, Mr. J. DAWES:—

The year was not an easy one. In the first half we were faced with tremendous increase in cost of raw materials, the average price of which more than doubled and in the latter part of the year the general reduction in world-wide industrial activity had its effect on Group sales whilst due to inflation we had increasing costs in virtually every item of expenditure. It is to the credit of every one in the Group that the profits for the whole year, both pre-tax and post-tax, were ahead of those for 1973/74.

The maximum distribution by way of dividend, permitted under existing legislation, is being recommended and at the same time it is proposed to make an issue by way of capitalisation of reserves in the proportion of one new share for every five shares held.

We export specialty chemicals to more than 60 countries and last year that portion of Group sales made outside the U.K. increased yet again and in the current year, whatever happens, in the home market every advantage is being taken of the opportunities which are available in world markets. In recognition of our export achievements, we received the Queen's Award for Industry for the second time.

Sales for the first three months of the current year are ahead of those for last year and there has been a significant improvement in profit margins; however, progress for the remainder of the current financial year will depend on the general level of industrial activity throughout the world. The Group is well equipped to benefit from any improvement.

CELESTION INDUSTRIES LIMITED

Mr. D. D. Pynn (Chairman) reports on the year ended 31st March, 1975.

* **TURNOVER INCREASE**
From £6,234,600 to £6,823,500 of which Exports were £1,197,700.

* **PRE-TAX PROFIT £359,785**

* **DIVIDEND INCREASE**
From 9.9225% to 10.9138%
Maximum allowed.

* **FINANCIAL STRENGTH**
Shareholders' funds have increased by more than £1.4 million over the last 6 years.

Copies of the Report and Accounts may be obtained from the Secretary at

130 Mount Street, London, W1Y 5HA.
Telephone: 01-499 5641

INTERNATIONAL COMPANY NEWS EUROPEAN MARKETS

EUROBONDS

New Zealand issue a record

BY MARY CAMPBELL

IN WHAT is thought to be a new record for the Eurobond market the size of the New Zealand issue was doubled to \$100m. last week. The amount of the seven year tranche was raised from \$50m. to \$100m. and the amount of the five year tranche from \$30m. to \$60m. The indicated coupons of 9 1/2 and 9 respectively were confirmed and the issue price set at 99 1/2.

The contrast between the withdrawal of the European Investment Bank's \$100m. issue from the New York bond market and the doubling of the New Zealand issue over here was stark. Indeed, some market sources—perhaps—were heard to comment

that an element of bravado was not entirely missing from the decision to raise the amount of the New Zealand issue to exactly the same figure as the abortive EIB issue.

That the issue was popular with a wide range of investors is not in doubt and market sources had anticipated an increase in the issue. Whether the doubling of the amount proves over-exuberant is only likely to emerge finally with time. Secondary market prices of both the notes and bonds were down a point or so on the issue price of 99 1/2 in Friday's trading.

New issues announced last week include \$15m. for Transamerica Corp. of Canada, indicated coupon 9 1/2 per cent, and lead manager Merrill Lynch, and two Swiss issues, one of \$15m. for Thyssen and another of \$15m. for an Austrian power company.

The Association of International Bond Dealers has published the first edition of its monthly list of price quotations and yields. It is being prepared by Inter-Bond services in London. This will be the first ever official and comprehensive list ever to be published on a regular basis.

Indices NEW YORK

DOW JONES AVERAGES						
Close	Point	Trans- port	Indus- trial	Util.	Trading volume 000's	
Aug. 7	65.28	126.63	817.74	78.67	11,880	
7	65.28	126.63	815.79	78.64	12,390	
8	65.24	126.71	813.67	78.49	12,350	
9	65.24	126.71	813.67	78.57	13,470	
9	65.27	126.78	813.05	79.05	12,650	
10	65.24	126.80	826.50	79.50	13,580	
11	65.61	129.43	831.51	79.50	14,540	
12	65.61	129.43	831.51	79.50	15,000	
13	65.61	129.43	831.51	79.50	15,000	
14	65.61	129.43	831.51	79.50	15,000	
15	65.61	129.43	831.51	79.50	15,000	
16	65.61	129.43	831.51	79.50	15,000	
17	65.61	129.43	831.51	79.50	15,000	
18	65.61	129.43	831.51	79.50	15,000	
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94	65.61	129.43	831.51	79.50	15,000	
95	65.61	129.43	831.51	79.50	15,000	
96	65.61	129.43	831.51	79.50	15,000	
97	65.61	129.43	831.51	79.50	15,000	
98	65.61	129.43	831.51	79.50	15,000	
99	65.61	129.43	831.51	79.50	15,000	
100	65.61	129.43	831.51	79.50	15,000	

FINANCIAL TIMES SURVEY

Monday August 11 1975

PAKISTAN

Pakistan teeters between the historical pull of its big neighbour India and the religious ties of its Islamic brothers to the west. After the trauma of Bangladesh the country still has major problems to overcome.

"PAKISTAN IS now the most democratic country on the Indian subcontinent" and "Pakistan is the only democracy between Europe and Thailand." These are just two of the boasts that are heard to-day in Pakistan after the Declaration of Emergency in neighbouring India and the wholesale arrests there.

On the surface at any rate the country seems secure and untroubled by any of the grave problems unsettling its neighbours. Pakistan is free of the hungry, grinding poverty of India or Bangladesh. People may miss a meal each day and cities like Karachi and Lahore have a fair share of beggars, but there is no mass starvation as there was in eastern India or in Bangladesh last year or as permanently stunts the thousands of pavement dwellers in places like Calcutta.

Control

Politically, Mr. Zulfikar Ali Bhutto, the Prime Minister, seems more firmly in control than ever before. The rebellion in the long-troubled province of Baluchistan has been more or less snuffed out by the army; and the North West Frontier Province has been quiet ever since the National Awami Party was banned in February after a spate of bomb explosions, one of which killed the Frontier Home Minister.

The economy has been through a rough period, but this year the monsoon has been favourable and the Government's economic policy is more coherent and carefully worked

out, so hopes are reasonably high that Pakistan can resume a prosperous path. Mr. Bhutto's foreign policy and his leading role in forging Islamic unity has helped to provide Muslim money for development and to restore Pakistan's pride in their country after the disastrous defeat of the 1971 war. The resumption of U.S. arms sales was also an important symbolic victory—symbolic because Pakistan cannot afford large-scale arms purchases.

Lately, some careful observers have claimed that Mr. Bhutto is relaxing his grip. The Press, they noted, had carried reports of the activities of retired Air Marshal Asghar Khan, chief of the Tehrik-i-Istisla party, even though the reports appeared only in local editions where the air marshal was speaking. Perhaps, some observers say, Mr. Bhutto is feeling his way to democracy after all.

Mr. Rafi Raza, the Minister for Industries and a personal friend of Mr. Bhutto, rejected the idea of a free or freer Press. "It might be nice to think so, but I do not think the Press is any more or less free than it was two years ago," he told me recently. The Pakistan Press is docile, but then it is not a particularly good touchstone, as the Press has long been noted for its loyalty to the reigning Government.

But Pakistan is a long way short of democracy. For example, freedom of speech and assembly are limited by Section 144, an old British rule which prevents gatherings of more

than five people. Politicians who have defied this ruling have frequently found that the Federal Security Force has been on hand to break up the meetings, not always gently. The force has been built up since Mr. Bhutto came to power. In addition, Mr. Bhutto has imprisoned a number of political opponents.

He used large-scale imprisonment to deal with the National Awami Party (NAP) after the Peshawar bomb assassination of the Home Minister of the North-West Frontier Province.

Without producing evidence Mr. Bhutto declared that the NAP had been operating "in a manner prejudicial to the sovereignty and integrity of Pakistan." He banned the Party, sealed its offices and seized its records. The Party leader, Khan Abdul Wali Khan, was arrested, along with several thousand other NAP leaders and students in the Frontier. Most people who know him say it would be out of character for Khan Wali to have instigated the bomb attack. The Minister, Mr. Sherpao, had been trying to find ways of making a pact with the NAP. Moreover, he had distant blood and village ties with Khan Wali Khan and

in hostile constituencies. The Prime Minister has worked hard to keep and to extend his Parliamentary majority. He has tried to win over opponents. Sardar Shehbaz Mazari, an independent member of the National Assembly from Baluchistan, who has not yet succumbed to Mr. Bhutto's blandishments, told me: "Let me just say that the Prime Minister has made it clear to me that if I were to join his party he would make it worth my while." Mr. Bhutto has also taken a tough line to see that his own party members have remained in line.

Most serious observers, both

Pakistani and foreign, would not deny that Mr. Bhutto's regime is repressive. But many will argue vigorously that it has to be: Pakistan is such a tumultuous and volatile society that it cannot be given full-fledged democracy. Others take the line, a dry run for India, that Pakistan needs a smack of firm government if it is to overcome its economic and social problems.

There are grave objections to these views. Admittedly, Mr. Bhutto has given a political performance of virtuoso brilliance in keeping the lid on a cauldron and to retain his personal power, but he has done nothing to bring the four differing provinces of the country into a harmonious Pakistan nor really to tackle the vast development problems. In both Baluchistan and the Frontier I

met people who said "We are under his thumb now, but we have long memories." Strangely though, Baluchistan may be the first development beneficiary

of Mr. Bhutto's policy. For example, the two men who have recently taken over as chief minister and governor of the Punjab are members of large landowning families. The army was this year awarded a large pay rise. Old, dogmatic socialists like J. A. Rahim the former party secretary-general, are on the sidelines, accusing Mr. Bhutto of failing in his promises, but spent political forces, less and less being heard of promises for radical and social reform.

In the short-run, this may be good for Pakistan. The country's economic policy to-day seems much tougher and more coherent. Foggy socialist promises which had not been worked out practically are being replaced by a commitment to production, even if this means curbs on labour. With a good monsoon which will put Pakistan within reach again of the dream of food self-sufficiency, there is no reason why real growth should not be 6 per cent. or more for the next few years.

Economically, Pakistan is a promising country, but it would be even more promising if it could harness and release the energies of the whole people. The present new policy concentrates rather a lot on the old framework of industry and society. But unless Pakistan can bring the poorest peasants and industrial workers fully into a constant danger to its stability appears to have sacrificed this path for Mr. Bhutto might have been for him to persuade his Arab and Western friends to provide more money and better

markets for his country's development. Moreover, with the emphasis on political conformity, the Government's economic management is always liable to distractions. Politically, Mr. Bhutto can never be totally secure and his present policy may lead to the creation of grudges for many men. He retains the forms of democracy because it might be useful in the future, but true democracy has gone for the present.

Many people who are sympathetic to Mr. Bhutto are dismayed because they consider his performance unnecessary. The Prime Minister is a man of great intelligence, charm and feeling and society, they will be a fight hands down. But he is in constant danger to its stability appears to have sacrificed this path for Mr. Bhutto might have been for him to persuade his Arab and Western friends to provide more money and better

BASIC STATISTICS

AREA: 310,000 sq. miles

POPULATION: 72m. (est. July 1975)

GNP: Rs.99.12bn. (1974-75 provisl.)

GNP per capita: Rs.1,380

TRADE (1975-76):

Imports: Rs.21.2bn. (est.)

Exports: Rs.10.4bn. (est.)

Trade with U.K. (1974):

Imports from U.K.: £45.8m.

Exports to U.K.: £39.8m.

CURRENCY: £1 = 20.8 rupees

Outline of democracy

This Survey was written by KEVIN RAFFERTY, Asia Correspondent, and IQBAL MIRZA, Karachi Correspondent

(cooking oil) and gave workers a token Rs. 25 a month rise in compensation there were angry demonstrations of workers in Lahore and Rawalpindi. But for the moment, to quote one diplomat in Islamabad: "Mr. Bhutto is less popular than ever, but more powerful than ever." The Federal Security Force was used to disperse demonstrators after the price protests.

In the short-term at least all this means that Mr. Bhutto is more firmly entrenched than ever before. There is now no opponent on the floor of the assembly who measures up to him; no one else in his party can match him in oratory or intelligence.

In entrenching himself in power Mr. Bhutto is changing his course and his supporters. More and more he is coming to rely on stalwarts of Pakistan's old society. For

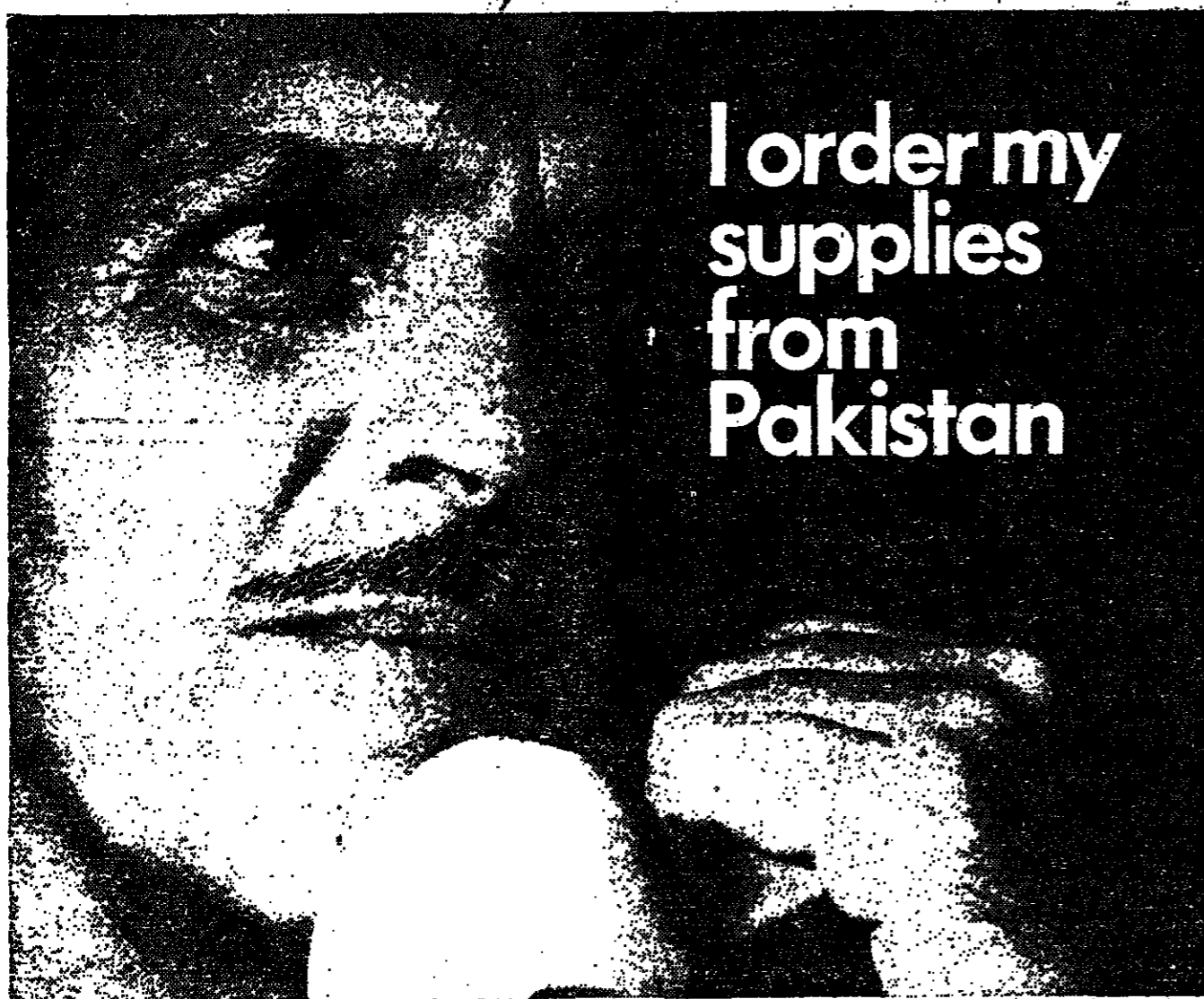
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Government of Pakistan, Karachi. Cable: EXPROM

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EXPORT INFORMATION & ADVISORY CENTRE

3rd Floor, Haji Adam Chambers,
Altaf Hussain Road, Karachi
Telephone: 239626

3-D Allama Iqbal Road, Lahore
Telephone: 68741

and when in Pakistan, you are cordially invited to

EXPORT DISPLAY CENTRES

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Sun Corner
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Ground Floor, WAPDA House,
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PAKISTAN IV

Politics behind the scenes

THERE ARE two sorts of political struggle in Pakistan today. One is open, a public battle before the Supreme Court in Rawalpindi capturing acres of newspaper space, a good sign that Mr. Bhutto does not regard it as a serious challenge. The more important power battle is going on behind the scenes, so secretly fought that it is not clear who, apart from Mr. Bhutto, is playing or what the protagonists are up to.

The high drama of Pakistan politics since Mr. Bhutto took over has revolved round the bitter struggle for control of the mountain-rugged, tribal and strategically important provinces of the North West Frontier and Baluchistan. The courtroom show is the final act of that struggle. Mr. Bhutto is trying to justify his ban on the National Awami Party (NAP) and its leader, the Pakistan chief, Khan Abdul Wali Khan. The NAP was for a short time the major partner in the governments of the two provinces, but has long been removed from power by the Prime Minister's political manoeuvrings.

As Leader of the Opposition in the National Assembly, Khan Wali was a bitter thorn in Mr. Bhutto's flesh. He had an especially strong line in invective, referring to the Prime Minister as "His Imperial Majesty, the Shah-in-Shah of Larkana" (Mr. Bhutto's family home) and calling him "the Führer" — no disrespect to Adolf — for the way Mr. Bhutto was stamping on dissenters. Khan Wali also claimed that the Prime Minister had been responsible for several attempts on his life.

The Pathan remained at liberty until February. Two days after Mr. Hayat Mohammad Sherpao, People's Party Home Minister in the Frontier, was killed in a bomb explosion, Khan Wali was arrested, his party banned, and its offices sealed and records and funds confiscated. Mr. Bhutto claimed that the NAP had been operating "in a manner prejudicial to

the sovereignty and integrity of Pakistan."

In the Supreme Court, the Government has been presenting its evidence, which has consisted so far largely of transcripts of broadcasts by Kabul Radio, some going back to before the foundation of the National Awami Party; claims from Kabul of a former (now exile) Secretary-General of the NAP; and some of the wilder speeches of Khan Wali himself.

Evidence

Extra drama was added when Khan Wali refused to defend himself before the Supreme Court because he said that he could not be sure of getting a fair hearing. His reason was that — against all the usual legal conventions — two of the judges had had previous dealings with the papers, and one of them had even been Law Secretary, the highest official in the Law Ministry, responsible for supervising the evidence against the NAP and Khan Wali. But the latter did file a rambling 140-page affidavit in which he completely denied the charges against him and again accused Mr. Bhutto of trying to break up what is left of Pakistan, to secure "Mr. Bhutto's position as undisputed monarch."

In realistic terms the court case is probably a good indication that Mr. Bhutto considers he has won the real battle for domination in the Frontier and Baluchistan. For example, he has won over to his side 19 of the 42 provincial members in the Frontier. Mr. Bhutto may feel reasonably secure — though there may be a terrible price for Pakistan to pay if or when Mr. Bhutto's power base comes under threat.

Many experts think that the Prime Minister may lift the ban on the NAP before the Supreme Court can reach its verdict, but it is unlikely that he will set Khan Wali free as he has other charges pending against him. On the ground, all looks calm. A year ago Baluchistan was un-

stable, with thousands of Pakistan army troops trying to keep down a serious rebellion and with active talk of further break-up of Pakistan. That has all changed. The people of Baluchistan, even according to anti-Bhutto leaders, have been beaten into submission. There have lately been isolated hit-and-run incidents against army patrols, and Quetta is a sullen town after dark. But as one Baluch sardar (tribal chief) said: "Bhutto has effectively won. He has cowed our people by his policy of merciless crackdown. But what do you expect? He refused to let women and children get to the drinking water while the fight went on. However, we shall remember."

On the Frontier, the situation also appears quiet and under control. The struggle in the Frontier at the moment concerns Mr. Bhutto's attempts to woo the Muslim Leaguers of his own Federal Home Minister, Khan Abdul Qayyum Khan, into the People's Party. According to reliable political opinion in Pakistan, a deal has been struck with the Muslim Leaguers who will defect one by one to the People's Party "so as not to make it look too obvious."

Provinces

But while the obvious drama and excitement of Pakistan politics is concentrated on the rugged and isolated westward provinces that border Afghanistan, Iran, the Soviet Union and China, the more important political battle is going on behind the scenes in the larger provinces of Sind and Punjab. What exactly is happening is difficult to work out, but the Prime Minister obviously feels himself under pressure because he devoted a great deal of his time during his Budget Speech to answering Punjab allegations that he was favouring Sind, his own province. Mr. Bhutto's strange love-hate relationship with Ghulam Mustapha Khar, once his most favoured lieutenant and recent appointee as Governor of the Punjab, has again come to the fore recently.

Mr. Khar was sacked at the end of July. Mr. Bhutto once claimed that he had "made" Mr. Khar, taught him to behave in a civilised way and even to eat in polite company.

Mr. Khar is important because (unlike Mr. Bhutto) he is a Punjabi and a Jat, the main caste in the Pakistan Army. He was also responsible for triggering off the National Assembly unrest in 1968 that led to the downfall of President Ayub Khan. As a close agent of Mr. Bhutto in his early favoured years, Mr. Khar may have powerful ammunition against the Prime Minister. Indeed he once boasted that Mr. Bhutto had only one Tashkent (the 1985 Peace Agreement with India) to hurl at President Ayub: he had many Tashkents against Mr. Bhutto. So far he has stayed his hand. Early this year Mr. Khar had the support of about 60 dissident People's Party men, in the Punjab, but a majority but significantly most of his supporters represented the all-important main army recruiting districts like Jhelum, Gujrat and Campbellpur. One close observer of Pakistan politics told me: "If Mustapha Khar had had more daring, he might have successfully challenged Mr. Bhutto."

How many of these supporters will stay with Mr. Khar out of power is doubtful, since support in Pakistan tends to drift with the power and the spoils. However, observers have noted that Mr. Khar has been carefully operating in two significant areas. There are two golden rules for bringing about a change of regime in Pakistan. If you want to put someone in power, you need rural support — and Mr. Khar has recently been asking all the big landowners to visit him in his Government residence in Lahore, said one political observer; if you want to topple a ruler, you must work with the urban riff-raff and Mr. Khar has been reassessing his strength there. "He is too much of a roughneck to be popular with the intellectual classes," continued the observer, "but in this power game, they

don't count." The latest gossip from the People's Party is that Mr. Khar is stirring things up as a favour for Mr. Bhutto to sort out who is loyal. It is not clear whether this indicates another rapprochement between the two men or is intended to discredit Mr. Khar as untrustworthy.

Officers

It is difficult to assess the mood of the other major unseen partner in Pakistan's power politics, the army. Those army officers to whom I spoke insisted that they did not want to get involved in politics again, but on the other hand Mr. Bhutto has again recently raised defence expenditure and defence forces' pay and most observers are agreed that the Prime Minister still has to pay respect to the army wishes in spite of having built up his own powerful security force as the front line of his personal protection.

The regular opposition political parties no longer count for much. The only man ploughing his lonely furrow seems to be Retired Air Marshal Asghar

Khan, who is on continuous tour all over Pakistan, talking to small groups in one village after another and defying Section 144 (which prohibits gatherings of more than a handful of people). Those who have seen him at work speak of him with admiration: "He is a punctilious man, brought up to be careful about his dress and behaviour," said one friend, "yet recently I saw him attend a gathering of the most ordinary working peasants. I went along and was driven away by the smell of humanity. I went away and was sick. But he stayed right in the middle, talking to the people, until the end. When I asked him why and how he had brought himself to do it he said 'it is my duty.'"

Asghar Khan has been written off many times for his inflexibility. He has so far refused to cash in on his obvious strong military ties as a respected former Air Force chief. Those who have seen him working hard in the remote villages from one end of Pakistan to the other, and especially in the key Punjab, believe that he may do well if there are ever more free elections in Pakistan.

K.R.

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THE CROWNING success of Zulfikar Ali Bhutto's foreign policy has been to turn the countrymen away from the shameful memories of India and poverty and defeat, and look instead towards the Middle East and the promise of the riches of Islam and brotherhood. For all his assiduous work, however, Pakistan may next month lose its battle for the Asian seat on the United Nations Security Council — and that to its old rival, India.

Of its many aspects, the internal domestic repercussions of the Middle East policy are probably the most important. The new worldwide dream of Islam and Mr. Bhutto's role in shaping it and ensuring Pakistan's place in the Islamic world has given Pakistanian pride. Critics for all that can point out that the policies and the high oil prices of the Middle East nations have hit Pakistan

harder than any of the developed nations and almost as hard as any other country of the underdeveloped world. Nevertheless, "You should not underestimate how vital it was to give Pakistanis some faith and pride in themselves," one senior diplomat in Islamabad told me. "When he took over, this nation was right on the floor."

Mr. Bhutto has done his job skilfully: he has made sure that he has been seen, both in Pakistan and outside, not to be merely clinging to the coat-tails of Middle East power and wealth but to be one of their leaders. His own hosting of the Islamic summit in Lahore last year was itself one of the important bench marks in the growth of international Islamic consciousness. His manoeuvres have been not without political pay-off at home. They have enabled him effectively to spike the guns of the mullahs, hitherto a great power in Pakistan's politics and particularly critical of Mr. Bhutto for his ideas of "Islamic Socialism." How could they attack in the name of Islam a leader who was favoured by all the leading international pillars of Islam?

The policy has also had economic benefits for Pakistan. The country has been the biggest beneficiary in all the developing world of aid from the oil-producing "petric" nations. Indeed, economic officials point out that without help from Iran, Saudi Arabia and the Gulf, Pakistan would not have been able to cover its trade gap last year. The loans from the Middle East have been doubly appreciated because most of the money has been available for balance of payments support and not tied to specific projects as is the Western aid which still constitutes the bulk of Pakistan's assistance.

Religion

So far Pakistan has had about \$1bn. either handed over or promised from the Middle East. Iran provided a loan of \$500m., of which \$250m. was given last year and \$150m. will come in the present year. Saudi Arabia has provided \$100m. for projects, Abu Dhabi \$100m. and Kuwait a \$50m. loan to buy oil. Other countries have been less forthcoming and there are some signs now of a tightening of the purse strings which looked at one time as if they would be held out liberally to the

favoured brother in religion: Kuwait is discussing various projects but is known to be especially hardheaded. There has been a lot of talk of Pakistan receiving up to \$350m. from Libya, but so far none of this has been forthcoming. When I asked an official about reports that Libya was on the point of providing \$50m., he said: "We would be glad to see it."

Trade with the Arab world has virtually doubled since 1965, and the Middle Eastern countries to-day take about 10-11 per cent. of Pakistan's exports. Until the oil prices rose, Pakistan had a healthy surplus with the Middle East. About half of Pakistan's Middle East trade is with one country, Iran, which also provides 20 per cent. of Pakistan's oil. The bulk of the crude — nearly 75 per cent. — comes from Saudi Arabia.

Personnel

But relations and economic assistance between Pakistan and the Middle East are not one-way. For all its poverty Pakistan has much to contribute, and is assisting the economies particularly of the Gulf States. The country is rich in skilled managerial and technical personnel who feel themselves unemployed or under-employed in their own country.

This feeling, together with the new opportunities — and rich rewards — in the Middle East have produced a spate of Pakistani emigration to the Middle East. One interviewer for a trading company in Dubai told me in Lahore that he had "literally hundreds, sometimes thousands, of applicants for each job; even if we advertise for a steno or computer operator we get lots of applications, sometimes from people of managing director level. They just feel they are getting nowhere here, and their eyes pop out at the financial rewards there."

Pakistan also supplies military assistance and personnel to the Middle East. Countries with Pakistani forces include Jordan (though the once strong ties with Jordan have loosened since the Palestine Liberation Organisation was given representation in Islamabad), Kuwait, Libya, Oman (where the naval chief is British but most of the other

officers Pakistani). Saudi Arabia, Syria and the Arab Emirates.

Assessed on a country-by-country basis, Mr. Bhutto has succeeded in building fruitful relations with every Islamic country except his neighbour Afghanistan. Iraq and Egypt. Foreign policy with Egypt has been a failure as President Sadat has preferred to remain close to India, and has even gone out of his way to assist the struggling Bangladesh. Iraq and Afghanistan are special cases. Iraq was the country involved two years ago in mysterious gun-running to Pakistan; now relations seem to be improving. Afghanistan has provided a running sore with its claims to the so-called Pakhistan territory of Pakistan, roughly the lands to the west of the Indus.

The other Middle East countries provide a variety of opportunities for Pakistanis. In Saudi Arabia, for example, where there are 45,000 Pakistani heads of families, most of them are in low-grade jobs (though a Pakistani was Governor of the Saudi Arabian Bank until his recent death). In the Gulf sheikdoms many Pakistanis are doing important technical jobs outside the military field, and in a couple of small Gulf States the number of Pakistanis is greater than the indigenous population.

The growth of the Pakistani community in the Middle East, of course, further fosters the connections with what is known as West Asia. At least as important, it also provides a source of funds for the families back home. Traditionally — according to official figures — Pakistan has received up to \$40m. a year remitted by Pakistanis working in Britain. Some experts calculate that these funds are being matched by money sent from the Middle East. This seems unlikely, if only because the official figures probably underestimate how much money is actually being sent annually from Britain. Some economists consider that \$60m. would not be too high, and even \$80m.-£90m. could be nearer the mark. Nevertheless, money from the Middle East helps to ease the problems of many families back in Pakistan.

All these policies, of course, have their dangers. Although more and more Pakistanis may go to the Middle East, following waves of emigration to the U.K. and Canada, this does not

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PAKISTAN V

Base for development

PAKISTANIS, THOUGH poor, are well off by the standards of the rest of South Asia—Afghanistan, India, Sri Lanka, Bangladesh and Nepal. Even so, according to Government statistics, more than one-third of the population does not get an adequate supply of calories; only 16 per cent. have access to piped drinking water, and only 5 per cent. to sanitation and drainage; only 15 per cent. can get medical care; only one-fifth of the population is literate. Enrolment in primary schools has increased to more than 40 per cent., but only a quarter of children over 11 are officially in school, and many of these may not attend regularly.

It is difficult to assess whether worse deprivations are suffered in the town or in the village. In the towns Government measures have pushed up the minimum wages of industrial workers from about Rs.120 (25) a month in 1971 to Rs.225 to-day, but this is some way below the Government's own figure of Rs.350 a month which is necessary to meet the minimum needs of a family of five without hardship.

Urban dwellers have to suffer all the perils of living higgler-muggler with or on top of their neighbours without proper facilities. Many of the people in the colony of industrial workers in Karachi, for example, live in little better than hovels. In one area their washing flutters daily across a great stretch of mud flat by a stinking open drain. I can only marvel that they manage to get it so spotlessly clean, and that their life manages to go on.

In the villages there seems at least air to breathe and room to exercise. But there is not much else. Only 16 per cent. of Pakistan's villages are situated on metalled roads; only 9 per cent. of villages are electrified; half of the farms are of five acres or less (it is difficult quite to be sure, but an economic holding is probably about eight acres or above). The limited statistics that are available in-

dicate the hardship of rural life. According to the 1971-72 household survey more than 50 per cent. of rural households had a monthly income of fewer than Rs.200 and 91 per cent. were well below Rs.400 a month. Expenditure on clothing, rent, furniture, medicine and education was much less in the villages than in the town households.

Bare statistics cannot describe the daily regime. For the rural labourers, for example, who form a growing proportion of the rural population—perhaps 20 to 25 per cent.—life is incredibly hard. According to labourers I spoke to close to the thin veneer of "Coca-Cola civilisation" that runs alongside the Grand Trunk Road, the day begins with the sun, about 0.500 at this time of year. They take whatever jobs are available, tilling the land for about Rs.7 (30p) a day. At harvest time they are working from early morning to beyond dusk every day of the week in the rush to collect the crop. But at this time of the year only farms growing paddy or cotton are pressed for labour. On an average there are 20 days' work a month for the more fortunate labourers. At dusk the day's earnings just about provide for a hot meal including the choice chilies. Children are not usually put into school, other than for

a token enrolment, because they can contribute to family earnings by, for example, minding cattle or doing other odd jobs. At this level of poverty, every little helps. Bedtime follows closely after the sun has gone down because there is little else to do.

But Pakistan is by no means as simple a society as this analysis suggests. Karachi, Lahore, Rawalpindi and Islamabad are all alive with as many of the pleasures as will be found in the West. I asked one wealthy citizen of Karachi who was about to throw a wedding party for his daughter how many guests were coming—225. And how much would that cost. — Oh lakhs (hundreds of thousands) of rupees, he replied airily. It would take Rs.250 a month 33 years to earn one lakh (100,000) of rupees. Homes of the rich are never short of a bottle or two of the best Scotch whisky, though this is a Muslim society.

Containers

The split level society creates its own problems. Should the Government aspire to create a modern Pakistan economy, with all the intense capital investment that requires? Or should it suit policy to the masses, to try to give them an inkling of

a semi-decent life? An example of the dilemma occurs in an unexpected place, Karachi Port. To meet the demands of modern shipping lines and to offload vital imports and exports speedily, it is essential that Karachi should quickly get proper container berths and facilities. The port authority has plans to build container berths capable of handling 40 foot containers. But this would also mean building roads and railways to handle the container traffic. As it is transport to the docks is a splendidly old and medieval world mixture of camel carts and lorries which can handle up to 10 tonnes. Much of the subsidiary transport is even carried in donkey carts. Wheat imports are piped out of the ships, then shovelled into sacks by gangs of workmen, who hump the sacks onto lorries. The coming of container vessels would thrust on to the roads loads of up to 40 tonnes a time. Such a reorganisation would play havoc with roads, homes, lives.

Pakistan Government planners have recently done work for what would have been another five-year plan had the world economic situation been better. Their efforts have not been published but I understand that the planners bravely hoped for real growth of up to 9 per cent. a year. Their cal-

culations contain impressive figures, but hardly any reference to the two-tier economy or how to break through to the poor and provide them with a choice, let alone with the prospect of decent development. The ramifications of a breakthrough would of course be worldwide. Poor Pakistanis, if they are to have a chance would need backing from the already rich and nouveau riche Western, East European and Arab worlds to provide them with finance and markets for their goods. Yet this topic has faded from live discussion. The Western governments are trying to cling to their prosperity oblivious of or unable to help the fact that the poorest countries are hurt most; the Middle Eastern nations want the best industrial development so they look West; poor countries like Pakistan simply have to pick the best they can from the new situation.

Yet all the time the population time bomb ticks away. Population growth is about 3.2 per cent. a year; a staggering 45 per cent. of the population is under 15 years old; if unchecked by the year 2000 Pakistan's population will have topped 150m. Yet Pakistan is one of the poor mass population countries with better prospects.

K.R.

Textiles problems

WORLDWIDE recession has plunged Pakistan's textile mills—the country's main industry and important foreign exchange earner—into deep gloom. Last year most mills made losses running into millions of rupees. During the first months of this year the situation was not much better.

In fact, the situation had become so serious that the All Pakistan Textile Mills Association proposed a number of measures to overcome the fall in demand and prices. The situation was so desperate that they suggested shutting down part of the spinning capacity with a guarantee that they would continue to pay full wages and would not resort to retrenchment of workers. The Government refused on the grounds that it would reduce consumption of cotton and would create unemployment.

Exports during 1974-75 fell by 60 per cent. in cotton yarn and 23 per cent. in cotton cloth compared to the 1972-73 peak year. In the case of raw cotton, there was a serious fall in exports during 1973-74 but it recovered during 1974-75. Unit prices during 1974-75 were higher for all the three items. Since April there has been slight improvement in demand and prices of cotton yarn, but no one would yet call this a recovery. The Hong Kong market for cotton yarn is better than it was in early 1975, although demand continues to be low. The main buyers of cloth, namely Britain and the U.S., are not very active although there has been a slight improvement in prices in these countries. During 1974-75 Japan purchased only about one-tenth of the level of 1972-73.

The opinion of the textile etc.

Industry is that even if demand and prices pick up, it will be another two to three years before the mills are able to pay a dividend. Most textile shares are being quoted below par on the stock exchange.

Non-traditional

The Federal Government has taken a number of steps to help the industry such as reduction in excise and export duties, fixing of raw cotton prices and purchase of yarn by the Government corporation for exports to non-traditional markets. Pakistan recently concluded an agreement with the EEC providing for increased exports of cotton textiles and made-ups. Efforts are being made to increase the export to non-traditional markets and Sudan is one of the countries which has made large purchases during the past few months.

On top of the crisis resulting from the world recession and consequent losses, the textile mills, specially those set up during the last seven or eight years, have been faced with a serious dilemma caused by devaluation of Pakistan's currency in 1972. This, combined with revaluation of the Japanese and some European currencies, has more than doubled the repayment of foreign exchange loans obtained by these mills for the purchase of machinery.

Quite a few mills have been unable to meet their liabilities because of huge losses. In fact, their liabilities have increased because of the increase in their bank overdrafts. They have been further hit by tremendous increases in wages, bank interest, salaries, and the costs of indigenous and imported raw materials, which are not commensurate with increased prices of their products.

Early in 1975 it was estimated that about 20 per cent. of the spindles had closed down resulting in retrenchment in labour force. The Government accepted this fact, although it was concerned about the situation because the Government itself had to help four textile mills to close down and pay off the workers in view of their financial difficulties.

As generally predicted, the recession is likely to end by the end of 1975 and unless the situation improves so far as textiles are concerned, Pakistan will have to face difficulties, since raw cotton and textiles are its main export items. Despite best efforts raw cotton production has been stagnant between 3.7m. to 3.9m. bales. The floods in 1973 and again last month have had their effect on production. Besides, the crisis also prevents cotton prices from rising.

The Government has fixed a production target of 8.2m. bales by 1980. It may perhaps not seem too ambitious in view of the 100 per cent. increase in production during the past three years compared to the production of 1.82m. bales in 1951-52. The increase in raw cotton production is also important as the spindles capacity of the textile industry is being increased to 4.5m. from the present 3.4m.

I.M.

CONTINUED FROM PREVIOUS PAGE

Middle East

solve the problems of poor living conditions at home. Indeed, it may make solution more difficult by sapping Pakistan of its young, strong educated men. The emigration is not as desperate as that from, for example, Bangladesh, but it clearly is a danger. And Mr. Bhutto, for all his consummate diplomatic skill, is still finding it difficult to counter the giant size of India and the extra pull that this gives Mrs. Gandhi. This has emerged clearly in the debate

for the UN Security Council seat. Pakistan put its hat in the ring rather late, by which time India had the backing of the Arab League and the Philippines was the other contender for the seat now occupied by Japan. Islamabad managed to persuade the Islamic Foreign Ministers last month to give lukewarm backing to Pakistan, though there were more than a handful of abstentions, including Egypt and Bangladesh.

Pakistan argues that India occupied the Security Council only a few years ago. India replies: "Precisely, but we are a bigger country and a more important one. For this reason we should be given a Security Council seat more often." It is clear that some even of Pakistan's friends were impressed by this argument.

In the present context of goings-on in India, a wish to loosen the old links is indeed wishful thinking. But there is not much that Pakistan can do other than put its own house in order and see that it is strong and sure of itself. The Pakistanis have lately shown greater willingness to secure a "normalisation" of relations with India, but progress in the negotiations has been painfully slow. And the danger is great. One Pakistani put it: "We are not strong enough or democratic enough to stand on our own. If India breaks now, that is the end of Pakistan."

K.R.

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PAKISTAN VI

Tourism's hopeful prospect



Cobbler waits for work.

PAKISTAN HAS all along lived under an Indian cloud that sometimes appears as all-embracing as those which bug the Himalayan peaks at monsoon time. That Indian cloud is so vast that it covers even tourism in the subcontinent. This may seem a strong assertion, but you have only to look at the tourist facts and figures: nearly a million people each year flock to India and spend on average 28 days each there; Pakistan's tourist arrivals last year were a mere 154,503 who stayed only a week each.

Even in the Asian league India is so important and is a magnet drawing practically everyone from students of history, through American culture vultures with many spare dollars to spend, to hippies in search of the Mystic Orient. Pakistan hardly counts. Yet Pakistan has almost as much to offer. If you are looking for the ancient history of civilisation, Pakistan has Mohenjo Daro or Taxila; if the bloodcurdling romance of the British Empire is what attracts you there is Lahore, the Khyber, Quetta; if

you want shopping bazaars, then the back streets of Peshawar, Rawalpindi, Quetta are a fruitful hunting ground; if the mixture of ancient and modern excites you, stand in Karachi city area and risk being bowled over by camel cart or donkey cart or tonga or beburqaed women rushing blindly, arms full of children and shopping, for a bus or by the swanky Toyota or Datsun of some busy banker; if your demand is snowy mountains, clear spring water and scenery, Pakistan has a whole unspoilt gallery.

Lengthy

Put like this, it may all sound too good to be true. But the Indian shadow is so lengthy that it is worth putting the record straight. Pakistan has nothing to rival the majestic beauty of the Taj Mahal or the living, fascinating history of Varanasi (Benares). But it has much; and many people, especially those en route to the mystic east of India, miss it completely.

Much that was celebrated in undivided India to-day lies in Pakistan and not in India itself. The start of the fabled Grand Trunk Road, the Khyber Pass, Kipling's country, the Indus valley civilisation—all these are to-day located in Pakistan.

If you take the Grand Trunk, you follow in the footsteps of Aryans, Bactrians, Scythians, White Huns, Greeks, Persians, Arabs, Turks and Mongols; you will follow Alexander the Great, Timur the Lame (Tamerlane) and Genghis Khan, as well as generations of British. It is a fascinating trip to make. Start at the Khyber Pass. Khyber itself is by no means as chillingly grand as the Kabul Gorge on the Afghan side with its icy sheer drops and tunnels carved precariously out of the bare black rock mountainside. The Khyber Pass is dusty, brown and flat by comparison; but it is just the sort of place for guerrilla wars with fierce tribesmen who appear out of nowhere (or perhaps not so much of a

place if you happened to be a British soldier trying to spot the tribal guerrillas).

Even to-day, at peace, the territory gives uneasy, queasy feelings. Camel carts or mules packed high pick their perilous paths and come and go unexpectedly, disappearing behind a bluff just when you think you have a clear sight of them. The Pathan tribesmen squat beside the road, rifles ever ready, with fingers never too far from the trigger. What or who are those dusty half-closed eyes watching? You are never sure. Plaques to the dead of royal regiments of the past dot the hillside and advise you not to cross these men.

From the Khyber the road is busy, roaring with highly-painted lorries, laden almost to axle-breaking point. The pictures on their sides tell of golden ages of the past and wish you well, then belie it all by thundering outrageously past with no concern for the safety of anyone who happens to be inside Pakistan is the fabled "smugglers bazaar" at Landi Kotal, where tiny shops teem with watches and clocks, foreign toiletries and perfumes. The romance of it all is rather tarnished by the fact that the streets are narrow, muddy in the rain, and smelly.

The Grand Trunk proper starts in Peshawar Cantonment. Peshawar is a city filled with brass and gunshop bazaars, which speak worlds for the ability of these people as craftsmen for war or peace. Take any weapon to Peshawar, it is said, and the Pathans will produce a perfect copy in virtually no time. My most fascinating moment in Peshawar bazaars was one boiling 105° morning watching elderly burqa-clad women sweltering in a sun drawn to their voluminous black tents; they rummaged through garments which looked for all the world as if they had been cast off by stalwart British Women's Institute members some 30 years ago. As they pressed to themselves petti-

coats in pastel pink it was so reassuring that these shapeless women, so downgraded, should care something about themselves.

On eastwards from Peshawar lies the Indus, a fertile river that fostered a great civilisation. To cross it on the Grand Trunk you have to take a laboured, looping journey round the Attock Fort that testifies still to man's respect for the power of Nature. The road runs on towards Rawalpindi, past Taxila where Buddha, Alexander the Great and Ashoka each came and in their own ways conquered. Excavations are still going on and revealing the most fantastic Buddhist stupas, but the glory is being spoilt by the midnight dig to discover booty for private pockets. Sadly, it is confidentially said that if you want the best pieces to take home, you apply to certain embassies which may, if they really like you, afford you the facility of their diplomatic bags.

Resting place

Rawalpindi and the nearby new federal capital of Islamabad mark a suitable resting place on the way to Lahore. The garrison town of Rawalpindi is the last resting place for regiments of British soldiers. In the garrison church there is a plaque to a lieutenant-colonel called "Boodles," countless others to victims of this war or that skirmish, including one to a poor officer who survived the First Afghan War only to die of cholera. Rawalpindi with its trotting tonga carts and lines of military washing is in jumbled contrast to the cooler airs of Islamabad at the foot of the foothills of the Karakoram where civil servants and diplomats and politicians can calmly talk of policy without being troubled by the sweat and hustle-bustle and flies of the market places, so much the mark of Rawalpindi.

The two towns are just inside the Punjab, the great heartland of Pakistan and once part of the granary of all India. The province derives its name from the five (panch=5) rivers—Jhelum, Chenab, Ravi, Sutlej and Beas. One by one the road bridges the rivers and the great canal system from which the fields are fed. Many, rude things have been said about the laziness of people from the Indian subcontinent, but here there is little evidence of it. Work goes on until late at night, and travelling is a hazard after dark (as it is all over India and Pakistan) because no one bothers to light the bullock carts or bicycles.

Lahore, 275 miles east of Peshawar, stands at the virtual end of the Pakistan Grand Trunk Road. In many ways to-day it is a sad city because it is deprived of its eastern hinterland which is now part of India. Nevertheless, Lahore tells its own tale of history. The city was founded at the end of the First Century AD. Its public buildings include the massive Badshahi Mosque, built in just three years by Moghul emperor Aurangzeb using red sandstone

carved from Jaipur and marble from Iran. Other landmarks are Shah Jehan's beautiful Shalimar Gardens and the imposing Lahore Fort.

The old city is a higgledy-piggledy tangle of narrow labyrinthine lanes of traders and craftsmen. There is a street of butchers, one of sweetmeat makers, another of goldsmiths, another of silver beater. Those who most interest me are the metalworkers who with a couple of clanks can transform a lump of twisted iron into a replacement part for your car to enable it to limp along a little longer. Old Lahore is also the home of Hira Mandi (literally, Jewel Market). The "jewels" are of an unexpected kind, especially in a society where many of the women around are kept hidden and covered from top to toe. In Kim Kipling describes the "jewels" as "the Harpies who paint their eyes and trap the stranger." But they have always been a mixed crowd and are to-day, some of them offer entertainment in the best (or worst) Soho style; others, for a few rupees, will provide a considerable skill in music or dancing.

As a reminder of the great empire of which Lahore was once a proud centre, you can not miss Zamzamah, Kim's gun, which stands outside the Museum. This is no ordinary anonymous hunk of death-spewing ironmongery. Its studded and decorated barrel tells you of the respect and affection it deserved. In those days the Grand Trunk used to run on 300 odd miles more to Delhi, then to the great port of Calcutta. That road is now closed to most Pakistanis, and something of the feeling of the restriction has eaten into the city and into the country. Away from the Grand Trunk route Pakistan has many more places of interest. Just over 50 years ago in the seemingly arid wastes of the "Sind desert" Mortimer Wheeler discovered Mohenjo Daro, a ruined city with the unexciting name which translates as "the mound of the dead." Yet 2,000 years before Christ, Mohenjo Daro was the centre of an ancient civilisation. The city had a State granary, a college of priests, splendidly planned streets, a great bath, an elaborate drainage system including soak pits to dispose of sewage. The civilisation also attained high standards in art and among the objects discovered at Mohenjo Daro is a graceful bronze model of a girl dancer only a few inches high.

Pakistan might do a lot to help itself if it could build up tourist interchange with India. At the moment, air links are few and the land crossing tedious. But even if Pakistan takes steps to remedy these deficiencies, something will probably still be missing. There is something that is lacking in the spirit of the people. Individually Pakistanis can be extraordinarily friendly and hospitable, and show generosity unmatched in the so-called developed world. In a group they are not as open as Indians. You cannot wander at random in Pakistan as you can—or could—in India, and expect immediately to strike rapport, engage in lively conversation, and be offered a bed or even a second home. This you find time after time in India, even if the conversation is largely Hindi (more broken Hindi than broken English). Pakistanis are more unsure. It may be the years under the Indian shadow that has produced an inferiority complex. Or it may be years of dictatorship in Pakistan that has produced caution—in which case India could soon change swiftly.

Unspoilt

To the far north Pakistan rules over much of the territory of Kipling's "Great Game," the convergence of the old Indian Empire with China, Russia and Afghanistan. These lands include the mountain fastnesses of Gilgit and Hunza, which, unlike the Kashmir Vale areas ruled by India, are sparsely populated and almost completely unspoilt.

But in spite of all these natural advantages, Pakistan has neglected its tourist potential. India is the tourist paradise; Pakistan ignored. There are two interlinked reasons for this: Pakistan has lost the tourist propaganda battle to India; secondly, the Government has never really bothered to work out a proper tourist policy.

To-day, the Secretary for Tourism, Mr. Roedad Khan, is making valiant efforts to boost tourism which he believes can provide valuable foreign exchange earnings. But he works under several disadvantages. His department is small and not very highly regarded—it is perhaps its own apt comment that tourism is linked to the Department of Minority Affairs. Mr. Roedad Khan believes that one of the areas of greatest promise for tourism is the northern territory, but he has to fight a frustrating and difficult battle. The Ministry of Defence, prompted it is said by the Chinese who are working there, have closed the road between Gilgit and Hunza to foreigners unless they have a special pass.

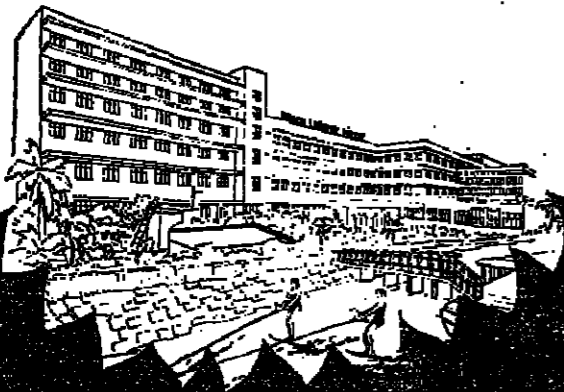
In a multitude of other pin-pricking ways Pakistan is inhospitable to tourists. It should be said though that entry in the country is easier and less hassling than, say, India, when you enter Pakistan as a tourist with a camera you are allowed through customs without having to enter it on a special form to ensure that you do not try to sell it. The country's airline, Pakistan International, is far more efficient than, say, Indian Airlines; at least you can get instant confirmed bookings anywhere in Pakistan whereas in India you often have to haggle and hope that the airline office will bother to transmit your booking to the next onward station.

One big problem is hotel accommodation. Pakistan is short of both luxury and of decent standard hotels. In Karachi, for example, one of the good hotels, the Palace, has been pulled down so that a Sheraton can be built in a few years' time. This leaves the Intercontinental with a virtual monopoly and it charges an outrageous £23 a night and offers very mediocre fare for the privilege. Pakistan also has probably the only capital in the world without even a three-star hotel. It may be typical of the regime's attitude to tourism that the only good hotel in Islamabad was taken over as the headquarters of the Ministry of Foreign Affairs; tourists have to stay 10 miles away in Rawalpindi.

If it is to become an important tourist country and if tourism is to be a big foreign exchange earner—and the Government as a whole clearly has not yet thought this question out—Pakistan must do something actually to woo tourists. It might consider allowing inclusive-price air or rail tickets allowing unlimited travel for two or four weeks within Pakistan. Indian Airlines is already successfully doing this. The problem with seeing Pakistan Railways as a money spinner or tourist attraction is that it is decidedly untouristy and uncomfortable and unattractive beside say Indian Railways. Transport is a major problem for tourists in Pakistan as only an oil sheikh could afford to travel by taxi and only a madman would travel more than once in the madcap long distance buses—too many of them end up overturned or perched over a cliff on the Grand Trunk. A start has been made in introducing a minibus service and this could prove an attractive answer.

K.R.

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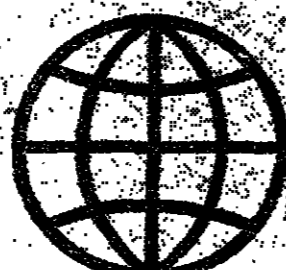
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REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotation on London Irish issues, most of which are not officially listed in London, as shown separately and with prices as on the Irish exchange.

[illegible]

FINANCIAL TIMES STOCK INDICES

	Aug. 1967	Aug. 1968	Aug. 1969	Aug. 1970	Aug. 1971	Aug. 1972	Aug. 1973
Government Secs.....	58.73	58.53	60.87	60.47	60.70	60.44	65.93
Foreign Reserves.....	58.77	58.29	60.57	60.07	60.58	58.95	58.14
Industrial Outlays.....	276.74	277.7	287.1	286.5	282.1	282.3	267.3
Gold Mines.....	360.4	357.5	358.1	363.5	357.8	369.0	367.3
Ext. Dir. Yld. %.....	7.35	7.58	7.17	7.11	7.27	7.25	8.43
Earnings Yld. % (colln.)	21.20	21.53	20.66	20.51	20.99	20.91	22.64
P/E Ratio med. (at 10%)	6.71	6.69	6.90	6.95	6.80	6.82	6.71
Dividends marked.....	4,535	4,099	3,897	3,569	3,480	3,526	5,894
Equity turnover %.....	—	43.83	37.48	31.13	23.47	24.87	27.29
Equity investments total.....	—	10,243	9,740	9,038	8,037	8,932	8,568

HIGHS AND LOWS	S.E. ACTIVITY
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	1975		Since Completion			Aug. 8	Aug. 7
	High	Low	High	Low			
Govt. Secs.	62.84	49.18	137.4	49.18	Daily (to 10:00 a.m.)	124.9	117.8
	(20.3)	(3.5)	(91.36)	(1.74)	Institutional	107.0	120.4
Fixed Inv.	62.31	50.65	150.4	50.55	Executive	50.5	35.9
	(21.3)	5.5	(121.47)	3.5	5-day A.P.R. (to 10:00 a.m.)	125.4	120.9
Ind. Ord.	56.53	146.0	59.5	49.4	High-Growth	39.9	55.4
		(1.9)	(19.73)	(2.54)	Income	38.1	84.4
Gold Mines	44.3	280.2	442.3	43.5	Special	39.9	55.4
	(25.5)	50.1	(222.37)	(10.07)	Total	38.1	84.4

FT—ACTUARIES INDICES

	Aug. 7	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	1 year ago
Industrial Group.....	112.07	113.00	115.68	115.30	114.00	114.95	92.81
500 Shares.....	195.08	126.56	127.77	127.33	125.81	126.18	99.81
Div. Yield per.....	7.14	7.12	6.99	7.02	7.10	7.08	8.18
P.R. Ratio met.....	6.21	6.23	6.34	6.31	6.23	6.24	5.87
All Shares.....	122.26	122.73	124.92	124.16	122.82	123.23	98.43
Unmatured yield per.....	14.17	14.28	13.96	13.95	13.86	13.93	15.26

BASE LENDING RATES

AFI International	10	%	Jacobs, Kroil	11	%
Allied Irish Banks Ltd.	10	%	Keyser Uhlmann	10	%
Anglo-Portuguese Bank	10	%	Knowledge & Co. Ltd.	11	%
Henry Anschuetz	10	%	London Bank	10	%
Banco de Lisboa	10	%	London & European	11	%
Barclays Bank	10	%	London Mercantile	11	%
Bank of Cyprus	10	%	Midland Bank	10	%
Banque du Rhone S.A.	10	%	Samuel Montagu	10	%
Barclays Bank	10	%	Morgan Grenfell	10	%
Barnett, Christie Ltd.	11	%	National Westminster	10	%
Bremer Holdings Ltd.	11	%	Northern Comm. Trust	10	%
Brit. Bank of Mid-East	10	%	Norfolk General Trust	10	%
Brown Shipley	10	%	Portman Guaranty	11	%
Cayzer, Bowser Co. Ltd.	10	%	P. S. Refson & Co.	9	%
Charterhouse Japan	10	%	Roisinister Acceptors	10	%
C. E. Coates	10	%	Royal Trust of Canada	10	%
Consolidated Credits	12	%	Schlesinger Limited	10	%
Continental Trade Bk.	10	%	E. S. Schwab	11	%
Co-operative Bank	10	%	Security Trust Co. Ltd.	11	%
Copleys Bank	11	%	Shenley Trust	11	%
Corinthian Securities	10	%	Standard & Chartered	10	%
Credit Lyonnais	10	%	Sterling Credit	12	%
G. R. Dawe	10	%	Thames Guaranty	11	%
Duboff Brothers	11	%	Trade Development Bk.	10	%
Dunlop Bank	10	%	Twentieth Century Bk.	11	%
English Transact.	11	%	Union Bank of Kuwait	10	%
First London Secs.	10	%	Wallace Brothers Bank	10	%
Antony Gibbs	10	%	Whiteaway Laidlaw	10	%
Goode Durrant Trust	10	%	Williams and Glyn's	10	%
Greyhound Guaranty	10	%	Yorkshire Bank	10	%
Grindlays Bank	10	%			
Guinness Mahon	10	%	Members of the Accepting Houses Committee.		
Hambros Bank	10	%			
Hawthorn Partners	12	%	7-day deposits 6 $\frac{1}{2}$, 1-month deposits 7 $\frac{1}{2}$		
Hill Sammes	10	%	7-day deposits on sums of £1,000 and under 6 $\frac{1}{2}$ up to £25,000 7 $\frac{1}{2}$, over £25,000 7 $\frac{1}{2}$		
C. Hoare & Co.	10	%	Deposit Base Rate 9 $\frac{1}{2}$ %		
Julian S. Hodge	11	%	Demand deposits 7 $\frac{1}{2}$ %		
Industrial Bank of Scot.	10	%			

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Property Fd. 11.7			11.7			Norwich P.A. Reg. 12334			Sel. Bld. Cap. Ind. 47.2		
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FINANCIAL TIMES

Monday August 11 1975

Cruising means



BSC cuts another £2 off scrap prices

BY MICHAEL THOMPSON-NOEL

THE BRITISH Steel Corporation has cut by an average of £2 a tonne its price for scrap steel. The saving to BSC is estimated at around £10m. a year. Some private sector steelworks have already reduced prices by comparable amounts.

The British Scrap Federation said last night it accepted the price cuts with resignation. "Trade has been steeper this year than we feared," said a spokesman, "partly the result of increased exports to the EEC and third countries."

BSC buys around 5.5m. tonnes of scrap annually, and produces a further 5.5m. tonnes from its own operations. Private sector steelmakers buy about 2.5m. tonnes, and the iron-making industry another 4m. tonnes. Last night's average reduction was £2 a tonne, a cut of 1.5p. At present these stocks amount to 1.2m.-1.3m. tonnes.

The greatest reduction in scrap prices will be felt in South Wales and the North East, where prices have been slashed by an average of £4.50 a tonne. At the Shotton plant in North Wales, where up to 4,500 steel-making jobs are in doubt, prices have

been cut by an average of £2 a tonne. The price for lower grades fell by around £1 a tonne.

It was made clear that the price move had nothing to do with BSC's recently announced plan to phase out more than 100 of its direct scrap suppliers from September 1 as part of the company's major economy measures. Eventually, the number of suppliers may be reduced from the present 300 to around 50 in a bid to secure reduced administrative costs and better control on quality throughput.

The main reason for the scrap price cut, it was emphasised, was the European slump in demand for steel products. Total U.K. steel output in June at 345,500 tonnes a week showed a 28.5 per cent. fall on the same month last year.

BP sells off gas stake in two North Sea areas

BY ADRIAN HAMILTON

BRITISH PETROLEUM has quietly agreed to sell both the "residual" gas associated with its Forties oil field and its share of the Frigg gas field in the North Sea to the British Gas Corporation.

Details of the deals, which were pushed through to take advantage of the Government's promise of Petroleum Revenue Tax (PRT) exemption for gas contracts agreed before June 30 last, have not yet been released.

While the gas quantities involved are not large they could provide the Corporation with a useful additional supply for industrial consumers in Scotland as well as setting an interesting precedent for other producers with small quantities of gas "associated" with oil production.

Most of the associated gas in the Forties field will be used by BP at the field itself and at its Grangemouth refinery where the oil, together with quantities of gas, is to be delivered.

At peak production, however, it is thought that the company will have some 100,000 cubic feet per day of surplus gas, which it has now agreed to sell to the Gas Corporation over a limited number of years.

Because of the quality of the gas, which has something like twice the calorific value of the gas being sold to the Gas Corporation's customers, and because of its location and volume, the Corporation will not process it for use within its own transmission system.

Instead it is believed to be negotiating to sell the gas directly to major industrial consumers. Several potential customers, including the British Steel Corporation and the electricity generating authority, have shown particular interest in getting hold of new supplies of gas.

Just how much more gas BGC could obtain from the North Sea oil producers beyond the recent Frigg, Brent and Forties deals, is still uncertain. Most of the oil fields have relatively low ratios of gas to oil production and the exploration companies are planning to use most of it for gas re-injection to maintain reservoir pressures and as a fuel to power the facilities on the production platforms.

Although some quantities of gas will still come ashore with the pipeline output, most of the oil is due to be landed in the Shetlands or Orkneys, where it is of little use to the Gas Corporation.

It may well be used to power electricity generation on the islands, however, and it remains to be seen whether the Gas Corporation will want to become involved in delays involving the electricity authorities. Under the statute, the Corporation has the right of first refusal for all quantities of gas produced, except as a feedstock in chemical manufacture.

Alaska pipeline 'can meet 1977 deadline'

BY ADRIAN HAMILTON

DESPITE substantial initial delays, the construction of the Trans-Alaska pipeline are now such that the project can achieve its target of completing half the project by November of this year and of bringing the line on-stream by the target date of mid-1977.

At the same time, recent drilling by Mobil and other companies in the North Slope area is believed to have successfully raised hopes that sufficient additional reserves can be established to fill the line's eventual expected capacity of 2m. barrels per day.

The wells are thought to have shown highly promising results in the additional producing horizons to the main sands of the Prudhoe Bay Field discovered by British Petroleum and Atlantic Richfield.

Completion of the 800-mile pipeline, which will take oil from the North Slope region in the Arctic Circle 800 miles across the State of Alaska to the warm water port of Valdez, is vital not only for the U.S. energy picture but also for the fortunes of BP and Sohio, which have around half of the reserves in the area and own nearly half of the pipeline.

According to the latest progress report of the Alyeska Pipeline Service Company, which is handling the line on behalf of the companies, the deadline of completing half the project by November now looks well within reach.

Most of the work so far has been concentrated on building up the facilities and preparing for the pipelaying. But by July 20, 22.6 per cent of the pipeline portion of the project had been completed, including the construction of 55.5 miles of pipe. Of this, 45.5 miles was above ground, 5.5 miles was below ground and 4.5 miles of river crossings had been completed.

During the next three months, much of the work will be concentrated on right of way clearing, work pad construction, a pipeline support system and a considerable amount of pipe installation.

Despite delays in getting the pipe installation underway in some parts, productivity is improving considerably and Mr. Frank Molin, senior project manager of the company's pipeline department, said contractors would attempt to complete 60 per cent of the total work effort by the beginning of November.

The aim is to get most of the pipeline work done by the end of next year so that testing can take place during early 1977 in preparation for the line to start flowing at an initial capacity of 1.2m. barrels per day by the middle of 1977.

Of crucial importance in this schedule will be the construction of the storage and shipment facilities at Valdez itself. Here, tank construction on water treatment tanks, a tank farm as well as site excavation and construction of berths is now underway against a fairly tight schedule.

The whole project is claimed to be the largest and most difficult civil engineering project yet attempted.

THE LEX COLUMN Looking on the brighter side

The stock market's reaction to news developments is always a fair guide to the prevailing mood: a headline which sends share prices reeling during a bear market might be totally ignored during a bull phase. At the moment, there seems to be no enthusiasm about anything. If the mood were to change, however, it would not require too much imagination to interpret the news in quite a different way.

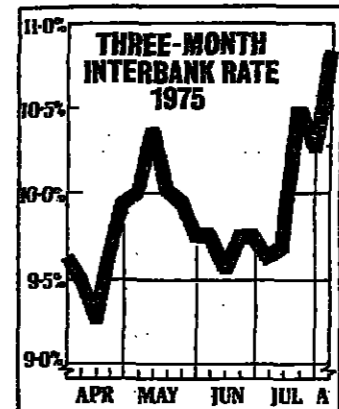
For instance, the CBI's latest survey of industrial trends only served to deepen the general gloom last week, with its evidence of rising unemployment and falling capacity working. But brokers Kemp-Gee, who monitor the survey regularly, argue that the shift of opinion is what counts rather than its actual level, and that encouraging changes can now be detected. Drawing a parallel with the autumn of 1971, they point out that the degree of optimism is rather higher for the second quarter running, and so are capital spending plans, stocks of finished goods are falling, along with the rate of price and cost increases.

The trend in equities, meanwhile, has been extremely depressing, and the lack of business provides just about the only subject of conversation. All the same, a reaction of just under a quarter is not so very terrible following the practically vertical rises earlier in the year: a Dow theorist might dismiss it lightly as a secondary correction. And if it was the supply of new equity in the shape of rights issues which finally knocked the market off its upward track, then it is worth noting that the supply dried up altogether last week, for the first time since the Budget in mid-April.

However, the main pre-occupation currently is with sterling and short term rates. The chart shows how the money markets, or that further action on interest rates can be ruled out by the lead of M.L.R. so the clearing banks must still have their fingers poised on the base rate anyone wants to look for them. At least sterling's trigger.

All this is not meant to imply that the bull market is likely to re-establish itself overnight, or that further action on interest rates can be ruled out by the lead of M.L.R. so the clearing banks must still have their fingers poised on the base rate anyone wants to look for them. At least sterling's trigger.

The important disclosure in



Rothmans
The Rothmans report is that its dollar has now been more or less restored to its end June 1974 level. This is not in itself a cure-all—as was shown in April and May when sterling fell at the same time as its interest premium widened—but the inflation threat has moderated since then, and the authorities have achieved their initial objective.

The continuing worry, however, is that the bonds have a minimum guaranteed exchange rate of DM7.8 to the pound, which meant a liability of £107.3m. when they were issued three years ago: in March, 1975, the figure was £147m., and since then the sterling-DM rate has fallen by nearly another 4 per cent.

The other side of the picture is the further write-up of goodwill, now £108m., compared with a net worth of £107m. (excluding a £20m. property surplus) and a capitalisation of £37.5m. The fixed rate guarantee also covers the interest payments which has created an increasing burden for the p and l account and there is some irrecoverable ACT as well.

The report points out that the Senior Bonds do not have to be redeemed until 1992—and the Juniors not until 2012—so Rothmans feels they can be regarded as permanent capital, though conversion is unlikely with a price nearly three times the current value of the shares. Overall, net debt is now £231m. with short-term borrowings rising by £21m. in 1974-75—and of course, working capital needs have been further increased by the rise in tobacco duty in the U.K. in the April budget.

So it is just as well that the group is "looking forward to a recovery in profits" during the current financial year. The key is Germany, where, like BAT, Rothmans last year suffered a sharp fall in earnings because price increases, the first since 1972, were delayed until May. None the less, Germany still accounted for 31 per cent of trading profits last year (against 38 per cent), while the non-European interests increased their share from 26 to 38 per cent. Although U.K. profits may be affected by the duty increase, the overall hopes of an improvement have been reflected in a relatively firm share price performance in recent weeks—not as strong as Imps but much better than BAT.

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Row looms over pay limit 'loopholes'

BY JOHN ELLIOTT, LABOUR EDITOR

A ROW is building up between the Government, public sector employers and union leaders over special payments which the Government has ensured can be made to its own civil servants under its new £6 a week wage policy.

It is being argued that, by allowing while civil workers to receive incremental rises, plus some special payments for London workers, in excess of the £6, the Government has designed loopholes in its policy which favour civil servants and undermine the potential loyalty of manual workers to the £6 limit.

The row will come to a head during the next few days after a meeting of public sector employers and union leaders to discuss special London weighting pay rises of up to around £80 a year to some 1m. London workers.

Mr. Michael Foot, Secretary for Employment, said in the Commons that the Government's such London payments due to be made before the August 1 starting date of the new policy could go ahead without being counted against the £6 limit. Most of the 1m. would qualify under this interpretation.

But Mr. Foot was speaking only as the Government's guardian of the pay policy and not as the employer of civil servants and other public sector staff whose own employers now have to decide their line.

The Government is thought to pay its civil servants the money but it is being argued that the interest of the public sector would have to pay up as well. This would cost £20m. for London local councils alone, adding to their already serious cash problems.

The increases arise from a Department of Employment estimate that £200 to £400 a year London weighting allowances introduced last year after a Pay award of 10 per cent, which would mean about £80 a year in inner London and £30 to £40 in the outer Metropolitan area. The precise amounts depend on self-interest, the Government fixed the initial payments last year.

In addition to the costs problem of these increases, other union leaders are complaining that the payments would further undermine the simple appeal of the new pay policy that no one receives more than £6 a week. They are especially incensed that while civil servants' rises, which have always been allowed to beat policies in the past, have not been stopped.

They claim that, even though the rises are supposed to be against the £6 if they are not self-interest, the Government has shown no inclination to demonstrate that it intends to measure the financing aspect of its civil servants' scales. This the union leaders claim, will lead to the evasion of the rule elsewhere.

This view is in line with strong opposition put forward by the CBI to the payment of incremental scales. Both employers and other public sector staff who are not involved with public sector staff argue that the incremental rises will cause great resentment among manual workers who are supposed to have exactly lower sharing. The sequential increases in overtime and other pay.

They also argue that this resentment will be further fuelled by any London weighting rises because these are also concentrated among white-collar workers.

U.S. grain crop figure out to-day

By Adrian Dicks

WASHINGTON, August 10. THE U.S. Department of Agriculture will publish its latest estimate of 1975 crops to-morrow—after the closure of grain futures markets. This estimate may determine whether there will be any further large sales to the Soviet Union.

The Ford Administration, committed politically to maintaining a high level of exports this year both for balance of payments reasons and to help farmers' fortunes, has been confidently predicting that wheat, corn, soybeans and other main feedgrains will be in plentiful supply.

Under pressure

But the President and Mr. Earl Butz, the Secretary of Agriculture, have been coming under strong pressure from Congress to limit the Soviet purchases to the 5.5m. tons of wheat and maize they have already contracted to buy.

Pushed upwards by bullish sentiment in grain futures markets to recent weeks, wholesale prices of farm products have already caused a steep statistical increase in the Wholesale price index. And there are widespread fears of a repetition of the sharp price rises of 1972-73 that followed the massive Russian purchases that year.

The U.S. Central Intelligence Agency is known to have made a recent estimate of the Soviet harvest that is a good deal more pessimistic than any yet. It forecasts total Soviet production of only 165m. tons, compared to the USDA estimate of 185m. tons earlier this month, and a reported, official Soviet target of 215m. tons.

Forecast

At the same time, dry weather in Iowa and other key areas of the Mid-West "corn belt" may also mean that the forecast due out to-morrow, based on information collected 10 days ago, will prove to be over-optimistic.

Last month the USDA forecast a corn harvest of 6,045m. bushels. There is no hint of what it may have to do to-morrow, but Mr. Conrad Leslie, the private Chicago crop forecaster, says that the U.S. corn crop would be no more than 5,875m. bushels.

The USDA estimates to-morrow will also include the Crop Reporting Board's first assessment of this season's soybean harvest. Earlier forecasts, based on farmers' planting intentions rather than field surveys, have put the crop at record levels. Mr. Leslie's forecast is for a 1,450m. bushel harvest against last year's 1,235m. bushels.

Continued from Page 1

Ulster policy at risk

occurred in Belfast immediately after the Provisionals' anti-interment rally near the Falls Road. But Provisional Sinn Féin claimed that bottles and bricks were thrown at Army patrols only after the anti-interment protesters had moved off.

The climate in which the inter-party talks will take place cannot have been improved by Provisional vice-president Mrs. Maire Drumm's speech telling the demonstrators: "If there must be war, may your hand be steady and your aim be true."

When Friday's four-hour negotiations at Stormont between the two political parties ended, however, a joint statement described the talks as "worthwhile" and that a working agenda

can still be produced for debate after the 78-man Convention. It is believed that the two sides discussed at some length the new Vanguard Party proposals for the establishment of important, autonomous municipal authorities to be responsible for industrial development, housing and education.

According to Unionist sources, Catholics would be guaranteed control of the majority of these new bodies as a proposed alternative to power-sharing. The scheme would apparently divide Ulster into four administrative areas, but one stumbling block which Friday's talks dealt with is that at present local councils are the main Unionist-controlled.

Weather

U.K. TO-DAY
SUNNY periods, dry. Wind variable, light. Max. 25C (77F). London, Midlands, Cent. N. England.
Dry, sunny periods. Wind variable, light. Max. 25C (77F). E. Anglia, Channel Is., Wales.
Dry, sunny periods. Wind variable, light. Max. 25C (77F). Cooler near coasts.

N.W. England, Lakes, I. of Man, S.W. Scotland, Argyll
Dry, sunny periods. Wind variable, light. Max. 22C (72F). Cooler near coasts.
N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray, Perth, N.E. and N.W. Scotland
Sunny periods, cloudy near coasts. Wind E., light or moderate. Max. 22C (72F). Cool near coasts.
Glasgow, Cent. Highlands, N. Ireland
Dry, sunny periods. Wind variable, light. Max. 23C (73F). Orkney, Shetland
Cloudy. Coastal fog. Wind E., light. Max. 14C (57F). Outlook: Mainly dry, sunny periods.

BUSINESS CENTRES			
	°C	°F	°F
Alexandria	28	82	82
Amsterdam	18	64	64
Algiers	28	82	82
Antwerp	18	64	64
Bombay	28	82	82
Buenos Aires	28	82	82
Calcutta	28	82	82
Canton	28	82	82
Cebu	28	82	82
Colon	28	82	82
Hankow	28	82	82
Harbin	28	82	82
Hong Kong	28	82	82
Kobe	28	82	82
London	18	64	64
Lyons	18	64	64
Manila	28	82	82
Medan	28	82	82
Memphis	28	82	82
Metz	18	64	64
Montreal	18	64	64
Moscow	18	64	64
Mumbai	28	82	82
Nairobi	28	82	82
Paris	18	64	64
Perth	18	64	64
Prague	18	64	64
Rangoon	28	82	82
Rio de Janeiro	28	82	82
Rome	18	64	64
Singapore	28	82	82
Sourabaya	28	82	82
Stockholm	18	64	64
Taipei	28	82	82
Tientsin	28	82	82
Tokyo	28	82	82
Toronto	18	64	64
Yokohama	28	82	82
Zurich	18	64	64

Order may be necessary to cut contraceptive prices

BY ELINOR GOODMAN

SIX MONTHS after the Monopolies Commission's recommendation that LR Industries should make drastic reductions in the prices of its Durex contraceptive sheaths, it is beginning to look as if the Government may have to use its order-making powers if any significant price reductions are to be made.

The Office of Fair Trading has had prolonged discussions with the company, but though it is understood that LR Industries has agreed that it may have to accept lower profit margins in the long term, it is not apparently prepared to make the kind of price reductions the OFT considers necessary.

The Monopolies Commission recommended in February that LR Industries should reduce the prices of its sheaths to 60 per cent of the March 1973 price unless costs had risen significantly since then.

If costs had risen, the Commission recommended that prices should be cut to give a return on capital of 30 per cent. The recommendations were accepted by the Government and the Office of Fair Trading was directed to discuss their implementation with the company.

Neither the OFT nor LR Industries was last week prepared to comment on the matter, but the length of time which has elapsed since the recommendations were made suggests that LR Industries is taking a tough line. It is understood to have argued that raw material costs—most notably rubber—have risen significantly since 1973 and that this means that it is already working on much lower margins than before.

Immediately after the report was published, LR Industries said it would be prepared to give some undertakings but not on the basis of a 20 per cent return on capital. The OFT, however, appears to be sticking to near the 20 per cent figure.

If it fails to get the company's voluntary agreement for price cuts, it could ask the Government to make an order enforcing them in the same way as it did with the Monopolies Commission recommendation on Roche Products.

Such an order, however, could lead to long court proceedings—something which both the OFT and LR Industries would prefer to avoid.

From the start the company has disputed the factual basis of some of the commission's findings. It has argued, for example, that the commission's attempt to calculate capital employed in home separately from exports was meaningless. It has also stressed that its 90 per cent of the sheath market is irrelevant given the declining share of sheaths within the total contraceptive market.